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# Daily Report

# East Asia

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## East Asia

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**NOTICE TO READERS**: An * indicates material not disseminated in electronic form.

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## Japan

### 'Text' of Japan-U.S. Trade Statement

*OW1007043293 Tokyo KYODO in English 0355 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—The following is the joint statement by Japan and the United States released Saturday about a bilateral agreement on a new framework for trade talks.

#### Joint Statement on the United States-Japan Framework for a New Economic Partnership

Reaffirming their understanding at their meeting of April 1993, the prime minister of Japan and the President of the United States agree to establish the United States-Japan framework for a new economic partnership, as described below.

#### Basic Objectives

The framework will serve as a new mechanism of consultations for United States-Japan economic relations. This new economic relationship must be balanced and mutually beneficial, and firmly rooted in the shared interest and responsibility of the United States and Japan to promote global growth, open markets, and a vital world trading system. These consultations will take place under the basic principle of two-way dialogue.

The framework provides a structure for an ongoing set of consultations anchored in biannual meetings of the heads of government. The goals of this framework are to deal with structural and sectoral issues in order substantially to increase access and sales of competitive foreign goods and services through market-opening and macroeconomic measures, to increase investment, to promote international competitiveness and to enhance bilateral economic cooperation between the United States and Japan.

Japan will actively pursue the medium-term objectives of promoting strong and sustainable domestic demand-led growth and increasing the market access of competitive foreign goods and services, intended to achieve over the medium term a highly significant decrease in its current account surplus, and at promoting a significant increase in global imports of goods and services, including from the United States. In this context, Japan will take measures including fiscal and monetary measures as necessary to realize these objectives.

The United States will also actively pursue the medium-term objectives of substantially reducing its fiscal deficit, promoting domestic saving and strengthening its international competitiveness.

Steady implementation of these efforts on both sides is expected to contribute to a significant reduction in both countries' external imbalances.

The United States and Japan are committed to an open multilateral trading system that benefits all nations. Benefits under this framework will be on a most favored nation basis.

Consultations will be limited to matters within the scope and responsibility of government.

The two governments are committed to implement faithfully and expeditiously all agreed-upon measures taken pursuant to this framework. Both governments agree that tangible progress must be achieved under this framework.

The two governments will utilize this framework as a principal means for addressing the sectoral and structural areas covered within it. If issues within these areas arise, both sides will make utmost efforts expeditiously to resolve differences through consultations under the framework or, where appropriate, under applicable multilateral agreements.

#### Sectoral and Structural Consultations and Negotiations

Japan and the United States will engage in negotiations or consultations to expand international trade and investment flows and to remove sectoral and structural impediments that affect them. Initial areas include the following issues of interest to both countries:

—Government procurement—measures undertaken in this area should aim at significantly expanding Japanese Government procurement of competitive foreign goods and services, especially computers, supercomputers, satellites, medical technology and telecommunications. The U.S. Government will encourage U.S. firms to take advantage of opportunities created by the Government of Japan. The U.S. Government reconfirms that it is the policy of the U.S. Government to provide nondiscriminatory, transparent, fair and open opportunities consistent with its obligations under the GATT agreement on government procurement. The U.S. Government will consult with the Government of Japan upon request concerning such policies, and areas of particular interest.

—Regulatory reform and competitiveness—measures undertaken in this area will address reform of relevant government laws, regulations and guidance which have the effect of substantially impeding market access for competitive foreign goods and services, including financial services, insurance, competition policy, transparent procedures and distribution. The United States will undertake efforts to promote exports to Japan, including business facilitation measures and other measures to further enhance U.S. international competitiveness.

—Other major sectors—measures undertaken in this area will address other major sectors, including the automotive industries. Efforts in this area, including existing arrangements, such as MOSS [no expansion provided], will have the objective, inter alia of achieving significantly expanded sales opportunities to result in a significant expansion of purchases of foreign parts by Japanese firms in Japan and through their transplants, as well as removing problems which affect market access, and encouraging imports of foreign autos and auto parts in Japan. The U.S. Government will promote the export of autos and auto parts to Japan and will encourage U.S. companies to pursue more actively market opportunities in Japan.

—Economic harmonization—this area will address issues affecting foreign direct investment in Japan and the United States. In addition, this area encompasses issues such as intellectual property rights, access to technology and long-term buyer-supplier relationships between companies in the two countries.

—Implementation of existing arrangements and measures—all existing bilateral arrangements and measures will be closely monitored and fully implemented. Specific commitments made under the Structural Impediments Initiative (SII) talks will be absorbed into this basket as appropriate.

Discussions in the above areas will begin as soon as possible. Each basket will be chaired at the subcabinet level with working groups as appropriate. The two governments will make utmost efforts to agree on measures regarding significant market access problems in government procurement, the insurance market, the automotive industries and other high priority areas to be determined, at the first heads of government meeting in 1994 or within six months of this agreement. Each such issue will be dealt with separately. Agreements on measures in the remaining areas are expected to be announced at the second heads-of-government meeting in July 1994.

### Common Agenda for Cooperation in Global Perspective

The two governments will also jointly pursue positive cooperation in a wide range of global areas and bilateral projects of potentially global application. In doing so, Japan and the United States will build new cooperative relations and thereby contribute to the development of technology and the world economy. The two governments will pursue a new joint response to the challenge in environment and other common economic issues of global implication. Through this joint collaboration, the two nations will establish a constructive global partnership.

Progress on results arising out of such consultations will be included in the joint statements at the biannual meetings of the heads of government. Progress reports will be prepared by the subcabinet group at the pre-heads-of-government meetings.

Discussions will begin as early as possible in the following areas:

1. Environment. The United States and Japan will establish a forum for regular consultations on environmental issues at the subcabinet level. The U.S. and Japan will collaborate on the following specific environmental priorities: oceans, forests, global observation information network, environmental and energy efficient technologies, conservation of important natural and cultural resources, and environment-related development assistance.

2. Technology. Japan and the United States agree to cooperate on mutually agreed projects in the following areas of technology development: Transport technology, telecommunications, civil industrial technology, and road technology and prevention of disaster.

3. Development of human resources. The United States and Japan agree to strengthen bilateral cooperation in the development of human resources in the areas of labor exchanges and the manufacturing technology fellowship program.

4. Population. The United States and Japan will work together to enhance the effectiveness of efforts to stem rapid global population growth, including strengthening multilateral population programs. The U.S. and Japan will work together to use our bilateral programs to enhance the effectiveness of population programs in the developing world.

5. AIDS. The United States and Japan will cooperate to enhance multilateral efforts on AIDS. The United States and Japan will work together to use our bilateral programs to address the AIDS crisis in the developing world.

### High-Level Consultations

Both governments will seek as expeditiously as possible to begin consultations under this framework, with achievements to be announced at the heads-of-government meetings to be held twice a year.

The two governments will assess the implementation of measures and policies taken in each sectoral and structural area within each basket under this framework. This assessment will be based upon sets of objective criteria, either qualitative or quantitative or both as appropriate, which will be established using relevant information and/or data that both governments will evaluate. Such assessment will occur at the biannual deputies meeting prior to the heads of government meetings and, in addition, as determined by the negotiating teams within each basket. These criteria are to be used for the purpose of evaluating progress achieved in each sectoral and structural area, including the collaborative efforts of the two governments.

At their biannual meetings, the heads of governments will issue public statements that include reports of results achieved under the framework on sectoral, structural and macroeconomic issues, as well as a common agenda for cooperation in global perspective.

Deputy minister-level meetings will be held twice a year to prepare reports to be submitted to the two leaders. Meetings can be held as appropriate several weeks before biannual heads of government meetings. The first deputy minister-level meeting will be held within six months of agreement on this framework.

Consultations will be carried out making use of the existing fora where appropriate, and working groups may be established as necessary in order to facilitate dialogue in this framework. All relevant agencies will participate.

After two years, both governments will decide whether to extend consultations in this framework beyond the fall of 1995.

An update on progress toward reducing current account imbalances and other macroeconomic issues will be included in the biannual heads-of-government statements. Progress will also be reviewed at the pre-heads-of-government meetings. While ongoing talks will be anchored in the G-7 process and central bank dialogue, other contacts between the two governments will offer the opportunity to discuss these concerns, for example during discussions between the Council of Economic Advisers and the Economic Planning Agency.

### Economic Framework Accord Said Reached With U.S.

*OW1007011793 Tokyo KYODO in English 0103 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—Japan and the United States have agreed to establish a "U.S.-Japan framework for a new economic partnership," Prime Minister Kiichi Miyazawa said Saturday [10 July]. The new trade accord is designed to set an agenda for bilateral negotiations for restoring a balance in trade relations between the two countries.

The pact, reached after marathon bargaining sessions throughout the night, contains a set of nonobligatory indicators to gauge progress in reducing Japan's 50 billion dollar trade surplus with the U.S., informed Japanese sources said. The indicators concern improvements in foreign access to the Japanese markets, market deregulations, government procurements of foreign products and foreign investments in Japan.

It does not cover macroeconomic statistics like the ratio of Japan's surplus to its gross national product, the sources said.

### Accord Aims at 'Tangible' Progress

*OW1007033393 Tokyo KYODO in English 0317 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton on Saturday [10 July] announced an economic framework agreement aimed at producing "tangible, measurable progress" in correcting the trade imbalance between the two countries.

The two leaders made the announcement shortly before Clinton completed his visit to Tokyo, where he attended the annual economic summit of the Group of Seven (G-7) major industrialized countries and met Russian President Boris Yeltsin.

Miyazawa said he wants the United States to reduce its stubborn federal budget deficit to narrow the bilateral trade gap.

Clinton, who has given top priority to trade as a way to create jobs at home and reduce the chronic trade deficit of the U.S. with Japan, stressed the new agreement is intended to bring about "tangible results."

Unlike previous trade agreements, Clinton said, the new one is designed to realize "better results from better rules of trade." The annual U.S. trade deficits with Japan have totaled some 50 billion dollars.

"We are not interested in managed trade or trade by number," he said, emphasizing the need for the world's two largest economies to have more favorable trade relations. Clinton said the two countries agreed to use "objective criteria" to measure progress in increased exports of U.S. autos, computers and other globally competitive goods and services to Japan.

Also covered under the framework agreement are telecommunications products, satellites, medical equipment, financial services and insurance.

Miyazawa and Clinton said the framework would check progress regularly instead of setting numerical goals.

Clinton said at the press conference at a Tokyo hotel the agreement includes a "basic bargain" aimed at significant reduction of the U.S. fiscal deficit as well [as] enhancing the nation's competitiveness.

Japan for its part will work on a "highly significant" reduction of its trade surplus, the President said. "The both nations have made some tough choices. We should have not illusions, we announced today a framework to govern specific agreements yet to be negotiated," he said. "But now at least we have agreed what the outcome of these negotiations needs to be...tangible, measurable progress," he added.

The agreements will be fleshed out by Tokyo and Washington over a six- to 12-month period.

"These results-oriented agreements can create bigger markets for key U.S. industries," Clinton said.

Miyazawa said the two countries will prepare progress reports to be presented to Japan-U.S. summits that will be held twice a year.

The agreement came barely one week before the July 18 general election that was prompted by a vote of no-confidence in the Miyazawa cabinet.

The "United States-Japan framework for a new economic partnership" comprises five "baskets"—government procurement, regulatory reform and competitiveness, major industries, economic harmonization and implementation of existing arrangements and measures.

The statement said the two nations will try to "agree on measures regarding significant market access problems in government procurement, the insurance market, the automotive industries and other high priority areas to be determined" at the first bilateral summit in the next six months or early 1994.

Agreements on measures in the remaining areas are expected to be announced at a second summit in July 1994, it said.

"Japan will actively pursue the medium-term objectives of promoting strong and sustainable domestic demand-led growth and increasing the market access of competitive foreign goods and services," the statement said. This is "intended to achieve over the medium-term a highly significant decrease in (Japan's) current account surplus."

A Clinton aide said the United States expects the framework agreement to help reduce Japan's current account surplus to below 2 percent of the nation's gross domestic product.

The statement said, "The United States will also actively pursue the medium-term objectives of substantially reducing its fiscal deficit, promoting domestic saving and strengthening its international competitiveness."

Despite repeated promises to Japan and other key trading partners, the U.S. has been unable to cut its huge budget deficit, which U.S. officials acknowledge has been a main source of the trade gap.

Assessment of implementation of the framework's measures "will be based upon sets of objective criteria, either qualitative or quantitative or both, as appropriate. These criteria are to be used for the purpose of evaluating progress achieved in each sectoral and structural area, including the collaborative efforts of the two governments," the statement said.

"The negotiations were really tough," Miyazawa told Japanese reporters at his official residence.

Japan's opposition party leaders, including Shinseito (Japan Renewal Party) leader Tsutomu Hata, said they would honor trade agreements negotiated by the Miyazawa government if they came to power after the July 18 general election.

### MITI Minister Welcomes Pact

*OW1007030093 Tokyo KYODO in English 0252 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—International Trade and Industry Minister Yoshiro Mori on Saturday [10 July] lauded the Japan-U.S. agreement on a framework for economic relations, saying the new pact will encourage free trade and boost the world economy.

Mori said in a statement Japan and the United States will hold further talks on maintaining Japan's economic growth and opening the nation's market wider.

The minister said the two countries will also continue to discuss how the U.S. can trim its federal budget deficit and enhance its competitive edge on the global market.

Mori said his ministry will try to ease various regulations, boost procurement of foreign products and ensure stepped-up foreign investment in Japan.

### Keidanren Leader Welcomes Accord

*OW1007070093 Tokyo KYODO in English 0639 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—Most business leaders in Japan were upbeat about a Japan-U.S. agreement on an economic framework reached Saturday [10 July], avoiding further trade friction. "Both the United States and Japan chose to avoid worsening their relationship over setting numerical targets," said Gaishi Hiraiwa, chairman of Japan Federation of Economic Organizations (Keidanren).

The United States had insisted Japan agree to set targets to measure progress in slashing its huge trade surplus, an idea strongly opposed by Japanese industry.

"If the lame-duck Prime Minister Kiichi Miyazawa's administration agrees to adopt such a goal, it would be a betrayal of the Japanese people," a senior executive of a major electronic company said before the agreement was struck,

Instead of obligatory numerical targets, the two nations agreed to use "objective criteria" to assess the progress in each of high-priority industrial sectors.

A top official of an automaker said, "quantitative criteria can be acceptable."

In the Japan-U.S. statement, objective criteria is regarded as "either qualitative or quantitative or both" and will be established using relevant information or data that both governments will evaluate. Japanese industries are concerned about what kind of criteria will actually be adopted, the business officials said.

### No 'Special' Stimulus for Short-Term Surplus Gain

*OW1207101593 Tokyo KYODO in English 0951 GMT 12 Jul 93*

[Text] Tokyo, July 12 KYODO—Japan will not take any special monetary or fiscal measures even if there is a short-term increase in its current account surplus, Vice Finance Minister Jiro Saito said on Monday [12 July].

Saito acknowledged the need for Japan to trim its surplus in the medium term in line with its agreement reached Saturday with the United States on bilateral trade framework, but he said the pact does not require Japan to take any measures if its increase is temporary.

Under the agreement, Japan pledged to work on a "highly significant decrease" of the surplus in the "medium term." Saito did not give a definition for either the "medium term" or the "highly significant decrease."

He refused to comment on U.S. interpretation of the terms. Senior U.S. administration officials have told reporters the medium term in the agreement refers to four to five years. At a news meeting, U.S. Treasury Undersecretary Lawrence Summers said he expected the ratio of Japan's current account surplus to its gross domestic product (GDP) to shrink to less than 2 percent.

The Japanese vice minister also said Japan does not consider the "objective criteria" to be set on sector-by-sector developments as "targets" since that would lead to a managed trade. "I don't have a clear image," Saito told reporters when asked what objective criteria meant to him.

## Deputy Minister Negates U.S. Treasury Remark

*OW1207133493 Tokyo KYODO in English 1319 GMT 12 Jul 93*

[Text] Tokyo, July 12 KYODO—Japan's deputy minister for foreign affairs on Monday [12 July] negated a press statement by a U.S. Treasury official that the U.S. and Japan have agreed Tokyo should cut its current-account surplus to less than 2 percent of its gross domestic product (GDP) within four or five years.

Kouichiro Matsuura told reporters no such agreement was reached between the two countries in bilateral talks in Tokyo late last week on the macroeconomic aspects of the U.S.-Japan framework for a new economic partnership.

On objective standards to be introduced into the sectoral area of the framework, the official said tangible progress must be achieved under the framework. But this does not mean that numerical targets should be established beforehand, he stressed.

Concerning the documents appended to the framework agreement to be exchanged later this week by the Japanese and U.S. Governments, which refer to sanctions to be imposed under the U.S. Trade Act, Matsuura said the two countries have reaffirmed their respective rights.

## Miyazawa: Clinton Talks Caused Yen's Sharp Drop

*OW1207084493 Tokyo KYODO in English 0824 GMT 12 Jul 93*

[Text] Chigasaki, Kanagawa Pref., July 12 KYODO—Prime Minister Kiichi Miyazawa said his weekend talks with U.S. President Bill Clinton caused Monday's [12 July] sharp drop in the yen. The foreign exchange market, which saw the yen hitting record highs against the dollar last month, "seems to have calmed down" because of the "Miyazawa-Clinton conversation" that produced a surprise trade agreement Saturday, the prime minister said.

In a campaign stump speech in Kanagawa Prefecture southwest of Tokyo, Miyazawa indicated that the framework agreement the two leaders hammered out—calling for bilateral efforts to balance trade sector by sector—had soothed the market's nerves. The Japanese currency closed 1.60 yen lower at 109.93 yen to the dollar in Tokyo trading Monday.

Dealers said a big early drop by the yen did not mean the market expected the Japan-U.S. accord to eliminate Japan's huge trade surpluses but that it might stave off U.S. pressure for a stronger yen.

The yen's earlier surge, to as high as 104.80 yen on June 15, followed comments by Clinton, U.S. Treasury Secretary Lloyd Bentsen and other U.S. officials that a high yen would cut Japan's surpluses by making Japanese goods more expensive in America and U.S. goods cheaper in Japan.

## Muto Says U.S., Russia Ganging Up on Tokyo

*OW1207084393 Tokyo KYODO in English 0837 GMT 12 Jul 93*

[Text] Tokyo, July 12 KYODO—Foreign Minister Kabun Muto said Monday [12 July] the United States and Russia have started to gang up on Japan after decades of cold war alliance between Tokyo and Washington.

Muto made the remarks to an audience of foreign ministry officials in an address commemorating the ministry's founding. "For a long time during the postwar period, amid the cold war between the east and west, Japan could more or less get by if it acted in parallel with the U.S.," Muto said.

He pointed out how Tokyo benefited from the U.S. nuclear umbrella and its bilateral security arrangements with Washington. "But now, with the cold war over, the U.S. and the Soviet Union (Russia) have become the best of friends, and it seems to me that Japan is sometimes made out to be like a common enemy of theirs'."

He said that due to Japan's rise to the status of an economic power, it has already been placed in a position of being subject to demands for funds.

## Russian President Yeltsin Leaves for Home

*OW1007031793 Tokyo KYODO in English 0308 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—Russian President Boris Yeltsin left for home Saturday [10 July] after meeting U.S. President Bill Clinton to conclude his talks with the leaders of the Group of Seven (G-7) industrial countries.

During his three-day visit to Japan, Yeltsin also had a separate meeting with Japanese Prime Minister Kiichi Miyazawa on Thursday.

Yeltsin agreed to reschedule for mid-October his twice-canceled state visit to Japan in his meeting with Miyazawa and agreed to try for a breakthrough in the longstanding territorial row over four Russian-held islands off eastern Hokkaido in northern Japan.

In his meeting with the G-7 leaders, Yeltsin urged them to scrap all the export curbs placed on Russian-manufactured goods and also renewed his appeal for greater financial assistance from the G-7 nations.

Canadian Prime Minister Kim Campbell, Belgian Prime Minister Jean-Luc Dehaene and his European Community delegates, and German Chancellor Helmut Kohl left for home Saturday morning. U.S. President Bill Clinton left for talks in South Korea scheduled for Saturday afternoon.

Three other leaders—French President Francois Mitterrand, Italian Prime Minister Carlo Ciampi and British Prime Minister John Major—left for home Friday evening.

## Russia's Kozyrev To Attend Georgia Peace Talks

*OW0907143893 Tokyo KYODO in English 1410 GMT 9 Jul 93*

[Text] Tokyo, July 9 KYODO—Russian Foreign Minister Andrey Kozyrev revealed Friday [9 July] he would soon participate in fresh peace talks with parties to the civil war in neighboring Georgia. The talks will take place in the southern part of Russia in the next few days.

Kozyrev, who is accompanying President Boris Yeltsin to Tokyo for the Group of Seven (G-7) summit, also told reporters Russia endorses the idea of 40-50 UN military observers being dispatched to the troubled Abkhazia region of Georgia.

"We will have yet another important meeting in just two or three days in the south of Russia. I will participate personally in that," he said.

Hundreds have been killed since fighting broke out last August in Georgia's Black Sea province of Abkhazia, shortly after the central government sent troops to quell a movement for greater local autonomy.

Bloodshed has worsened in recent weeks and the Russian military has long been accused by Georgian leader Eduard Shevardnadze of backing the rebels with free weapons and other support. Last Friday, Georgia accused Russia of pouring 2,000 troops into its territory.

"Any extremist who wishes to provoke bloodshed immediately begins to accuse Russia since it is the easiest thing to do," Kozyrev said in denying such charges.

His remarks came shortly after British Prime Minister John Major told reporters here that Shevardnadze had sent a letter to the summit participants appealing for urgent help in resolving the country's "desperate" situation.

"We need to encourage both Russia and Georgia, with United Nations support, to take yet another look at finding a solution to the problems of Abkhazia," Major said, adding that it would open the way for the dispatch of UN observers.

Kozyrev said his bilateral talks in Tokyo with G-7 counterparts, including US Secretary of State Warren Christopher, touched on a recent report by UN Secretary General Butrus Butrus-Ghali which recommended 50 UN unarmed military observers be sent to Abkhazia and help reinstate a May 20 cease-fire.

"We are in favor of the security council adopting a resolution to send observers," Kozyrev said.

He said the presence of such observers in Abkhazia would serve to confirm to interested parties that Russia's intentions are benign.

Kozyrev said Russia is willing and prepared to dispatch peace-making forces to the region.

The UN Security Council issued a statement Friday expressing "deep concern at the reports of increased fighting" and asking "all the parties to cease military action immediately."

Kozyrev reportedly warned Sunday that Russia would slap "the harshest economic sanctions" on Georgia unless it signed a new peace pact with the Abkhazian rebels giving them a degree of autonomy.

## G-7 Effect on Miyazawa's Election Chances Viewed

*OW1107030093 Tokyo KYODO in English 0111 GMT 11 Jul 93*

[Article by Takehiko Kajita: "Few See G-7 Summit as Putting Wind in Miyazawa's Sails"]

[Text] Tokyo, July 11 KYODO—Beleaguered Prime Minister Kiichi Miyazawa remains doomed to fighting an uphill battle in the July 18 general election despite the limited success in his eleventh-hour effort to show leadership at the Tokyo summit of major economic powers. Since the powerful House of Representatives was dissolved after a June 18 no-confidence vote, Miyazawa has been widely regarded as a lame duck who will be forced to give up post after the upcoming poll. [sentence as received]

Miyazawa undoubtedly must have been determined to seize an opportunity to strengthen his failing grip on power at the three-day summit of the Group of Seven (G-7) industrialized nations, which ended Friday [9 July].

Some say Miyazawa managed to flawlessly play crucial roles as chairman of the G-7 summit and in bringing to a successful conclusion two separate trade negotiations paralleling the summit talks. But many others believe

Miyazawa cannot win back public support and shepherd his ruling Liberal Democratic Party (LDP) in the direction of a continued hold on power.

The long-dominant LDP could well lose its lower house majority in the election amid speculation that non-LDP political forces can forge a grand coalition and wrest the reigns of government from the LDP for the first time since 1955.

The LDP's pre-election strength in the lower house is already short of a simple majority in the first chamber because two groups of former LDP legislators left to create their own parties. Most of the LDP defectors helped pass the opposition-tabled no-confidence motion against Miyazawa's cabinet.

Miyazawa dissolved the lower house for a snap general election in the face of a humiliating defeat in the no-confidence vote, which the opposition camp tabled in parliament after he failed to live up to repeated pledges to achieve domestic political reform.

Political reform, centering on electoral changes and tighter curbs on political funding, has been in the limelight in Japan since the political world was hit by the 1988-1989 Recruit shares-for-favors scandal and the 1992-1993 Tokyo Sagawa Kyubin money-and-gangster scam.

In the autumn of 1990, then Prime Minister Toshiki Kaifu abandoned his bid for his second term as LDP president after failing to get political reform legislation on the statute book.

The LDP presidency has so far automatically brought with it the premiership due to the party's dominance in the lower house. History seems to be repeating itself with Miyazawa's premiership.

Although he opted to dissolve the lower house for a general election instead of resigning as prime minister in a mass resignation of his cabinet, speculation abounded especially within the LDP that he will offer to quit after the G-7 summit is over.

Fluent in English and well-versed in foreign and economic affairs, Miyazawa was said to have been looking forward to presiding over the summit. He had a reason to cling to power—at least until the G-7 event concluded under his chairmanship.

After Miyazawa actually wrapped up the Tokyo summit, however, a senior government official categorically denied the possibility of Miyazawa's imminent resignation, an indication that the prime minister sees the outcome of the summit as satisfactory.

Whether the unpopular Miyazawa can seek re-election as LDP president for another two-year term hinges solely on the LDP's performance in the general election. His first term expires in late September.

If the LDP loses a considerable portion of its pre-election strength of 228 seats in the lower house, it may have to give up its grip on power and choose to be an opposition party. In the next election, the number of seats in the key chamber will be reduced by one to 511.

Given public disgust about an array of political scandals, money-drenched politicking and, most of all, Miyazawa's foiled attempts to achieve political reform, maintaining the current strength would be tantamount to a victory for the LDP.

Should the pro-business conservative party gain fewer than 200 seats, reform-minded legislators could leave the LDP and strip additional LDP strength, many political analysts say. However, it is still unclear whether non-LDP forces, including two splinter parties from the LDP, could work together to form a coalition government.

Those parties have some wide differences over such policy issues as Japan's Self-Defense Forces, nuclear power stations and ties with South Korea.

Takashi Inoguchi, professor of political science and international relations at the University of Tokyo, said the LDP will be able to win 210 to 220 seats, if not a majority of lower house seats, due chiefly to the perceived unreliability of non-LDP forces.

He said the opposition forces proved to be unreliable when they showed that it is "almost impossible" to set up a coalition government. The LDP's closeness to voters will also play in its favor, he said.

"As demonstrated at the G-7 summit, it is only the LDP that can deal with diplomatic affairs," Inoguchi said. "I suppose even Mr. Miyazawa has contributed a bit to perpetuating that notion."

## Politicians Discuss Reforms, Forming Coalition

*OW0907113793 Tokyo NHK General Television Network in Japanese 1004 GMT 1 Jul 93*

[From the "NHK News 7" program]

[Text] Today politicians are again speaking about political realignment and political reform with an eye toward the lower house election.

During a lecture meeting in Sapporo today, former Prime Minister Toshiki Kaifu referred to the argument within the Liberal Democratic Party [LDP] that measures to prevent political corruption should be implemented prior to the revision of the electoral system. Kaifu said that focusing on the prevention of political corruption alone would represent a piecemeal approach to political reform, and stressed that the electoral reform should be implemented together with measures to prevent political corruption.

[Begin Kaifu recording] Right now there are many arguments on political reform, but I feel many people are discussing the issue while focusing on only a part of it. To cope with a new era, we should not only take measures to prevent political corruption, but we should also change various things, including the current systems, setups, and the structure of the political world [end recording].

Kaifu emphasized that both the electoral reform and the prevention of political corruption should be implemented together.

During the same lecture meeting, Keizo Obuchi, leader of the LDP's Obuchi faction, criticized Sadao Yamahana, chairman of the Social Democratic Party of Japan [SDPJ], for being inconsistent. He said that Yamahana once said he would support Tsutomu Hata, leader of the Shinseito [Japan Renewal Party], in a coalition and would name him prime minister. Obuchi added that after a setback in the Tokyo Assembly election, Yamahana said he himself would aim to be prime minister. He said such a Party could not be trusted and would not be able to replace the LDP.

At a news conference in Chiba City, Shinseito Leader Tsutomu Hata criticized the SDPJ for shifting away from a move to establish a coalition government. He said the SDPJ's move might end up lending a hand to prolong the life of the LDP government.

[Begin Hata recording] I understand the current position of the SDPJ. After a major setback in the recent Tokyo Assembly election, there are voices within the SDPJ calling for change in its policy. However, our party and the SDPJ share the same course, which is to end the LDP's one-party rule. If the SDPJ refuses to cooperate in forming a coalition government, the SDPJ will in effect lend a hand to prolong the life of the LDP government. And I think that will eventually lead to the end of the SDPJ. [end recording]

Hata also said that the Japan New Party's [JNP] move to form a new party with the Shinto Sakigake [Harbinger Party] after the lower house election is desirable because at the present, there are too many parties for the people to choose from.

To make fully known its policy of forming a coalition government, the SDPJ clearly stated that it aims to establish a coalition government by uniting non-LDP forces. The statement was made at today's meeting of party executives of the Tokyo chapter. At the meeting, party executives said a major issue in the general election is to ask the general public to choose one of two groups, the political group working for political reform and the other group of the LDP which crashed the reform attempts. They also said that the SDPJ should be ready to cooperate with the wide range of opposition groups and play a key role in the coalition government. There is an opinion within the SDPJ that the Party's close cooperation with the Shinseito led to its major setback in the Tokyo Assembly election. Reacting to this opinion, SDPJ Chairman Yamahana expressed on 29 June his intention to shift away from the Shinseito and other forces. The party released the statement today to reaffirm that the SDPJ remains committed to forming a coalition government to replace the LDP.

## Party Leaders Debate on Political Reform

*OW1007134693*

[Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 3 July in its weekly "News 2001" program carries a round table discussion on political reform with representatives of the major political parties. Those taking part are: Secretary General of the Liberal Democratic Party [LDP] Seiroku Kajiyama, Secretary General of the Social Democratic Party of Japan [SDPJ] Hirotaka Akamatsu, Chairman of Komeito Koshiro Ishida, Chairman of the Democratic Socialist Party [DSP] Keigo Ouchi, Chairman of the Japan Communist Party [JCP] Tetsuzo Fuwa, representative of the United Social Democratic Party Satsuki Eda, representative of Sakigake (Harbinger Party) Masayoshi Takemura, representative of Shinseito [Japan Renewal Party] [JRP] Tsotomu Hata, and representative of the Japan New Party [JNP] Morihiro Hosokawa. The program is moderated by Yuji Kuroiwa and Kaori Matsuyama and is attended by its regular guests—freelance commentator Kenichi Takemura and Keio University Professor Yoshiaki Kobayashi. Kajiyama is in an NHK studio with the moderators and the audience, while the other party leaders join the program via television relay.

Kuroiwa begins the program by asking Kajiyama if voters should entrust the LDP with the task of reforming politics. Kajiyama says that although his party is doing its best to prevent political corruption, clean politics is ultimately a matter of an individual politician's morals. On the significance of the forthcoming general election, Kajiyama says it is very dangerous to vote on the basis of just one point, or one issue.

He says: "It is said that the cabinet was dissolved over the issue of political reform or over reform of the electoral system in particular. However, I doubt that is the viewpoint of the people."

Kuroiwa says political scandals have been revealed one after another because of the LDP's long-running, one-party domination.

Kajiyama says: "What you have said is right in a way. But it is not the essence of politics. People who can resist temptations, therefore, can remain clean even if they stay in politics for a long time."

On the allegation that Finance Minister Yoshiro Hayashi and Construction Minister Kishiro Nakamura solicited banks for contributions to political funds, Kajiyama admits that "it is not an appropriate thing to do."

Asked whether the LDP can get rid of its corruption-infested structure, Sakigake's Takemura comments: "We have to change the political situation in such a way that different, healthy political forces can take the helm of state affairs from time to time. I think it is the best way to eliminate political corruption."

Asked whether he would accept the idea of including the LDP in a new coalition government, Masayoshi Takemura says: "I do not believe we should absolutely exclude the LDP."

Returning to the issue of political reform, Kajiyama says: "We gave the impression to the people that the LDP was not enthusiastic about political reform. The truth is, however, that we are steadily promoting political reform."

Kuroiwa asks Hata, who now joins the debate, if he has something to say to Masayoshi Takemura. Hata, who publicly announced that his party will not cooperate with the LDP, asks Takemura not to form a coalition with the LDP. In response, the Sakigake representative says: "I am for the idea of cooperating with any party as long as it is not the LDP."

After Hata and Kajiyama explain their views on how political reform should be promoted, the topic of discussions moves to electoral reform. Kajiyama says Hata and his followers seceded from the LDP because of differences of opinion over how electoral reform should be promoted.

Kajiyama says: "Nobody is saying the system should not be reviewed. We are divided over whether we will do it in a hurry or do it while trying to reach a consensus."

Kuroiwa points out that SDPJ has changed its views and is acting against the movement to form a non-LDP coalition after it suffered a major defeat in the Tokyo gubernatorial election. Akamatsu says the SDPJ is in favor of forming a coalition to rise to power.

He says: "If we take power, it will be a matter of course to give consideration to continuing various policies of the current government."

Asked to comment on the movement to form a non-LDP coalition, Ishida, Eda and Ouchi agree that now is the time to change the LDP's one-party domination, saying that they need to unite by ironing out differences among themselves.

The program ends while the debate continues.

## JNP, Sakigake Agree To Form Parliamentary Group

*OW1007094593 Tokyo KYODO in English 0922 GMT 10 Jul 93*

[Text] Osaka, July 10 KYODO—Morihiro Hosokawa, leader of the Japan New Party [JNP], said Saturday that his party and Sakigake [Harbinger]—a breakaway from the ruling Liberal Democratic Party (LDP)—have agreed to form a united group within parliament after the July 18 general election. Hosokawa made the remarks at a news conference.

The JNP was formed in May of last year. Sakigake (Harbinger) was formed by 10 LDP defectors shortly after the House of Representatives was dissolved on June 18.

## Miyazawa Rules Out LDP Handing Over Power

*OW1007094493 Tokyo KYODO in English 0928 GMT 10 Jul 93*

[Text] Tokyo, July 10 KYODO—Prime Minister Kiichi Miyazawa on Saturday [10 July] ruled out the possibility that the ruling Liberal Democratic Party (LDP) would hand over power to the opposition even if the party loses its majority in the July 18 general election. Asked by reporters if the LDP will lose its majority in the election, Miyazawa said, "if the people trust the party to be the largest party, I will accept that as a call from the people for the party to stay in power."

In an interview with reporters at LDP headquarters, he ruled out the possibility of resigning before the election.

Asked about his future as LDP president and prime minister if the LDP loses its majority, he said, "I am the president elected by party members and will continue (my job) as long as there is support."

"It is natural to step down if there is no support. I will follow the general consensus of party members," he said.

Regarding possible coalition partners following the election, he said, "The LDP is a national party and opens its door wide. It can get together (with other parties) as long as it shares policies."

But the prime minister indicated his party does not intend to call on the LDP breakaway Shinseito [Japan Renewal Party] to form a coalition.

"Members of Shinseito are those who bolted the party, opposing its present state and have their own opinions. It will be hard to call on them now to get together," he said.

Fourty-four LDP defectors launched Shinseito (Japan Renewal Party) shortly after Miyazawa dissolved the House of Represenatives on June 18 after opposition members and LDP rebels passed a no-confidence vote against the Miyazawa government.

Shinseito members were among the LDP rebels.

Miyazawa criticized a move by noncommunist opposition parties to form a coalition excluding the LDP.

He said such a coalition is not possible without the main opposition Social Democratic Party [of Japan] [SDPJ]. A coalition with parties that disagree on basic polices would act against the will of the people, he said.

The SDPJ will have no significance as a political party if it accepts policies of the LDP government, he said.

## Seeks Support From JNP, Sakigake

*OW1107130693 Tokyo KYODO in English 1234 GMT 11 Jul 93*

[Text] Tokyo, July 11 KYODO—Prime Minister Kiichi Miyazawa said Sunday [11 July] he will ask two new small conservative parties to support Liberal Democratic Party (LDP) policies even though the new groups have refused to form coalitions with the LDP in case of its serious setback in the upcoming general election.

Miyazawa's remarks followed Friday announcements by the Japan New Party and Sakigake (Harbinger) saying they will not integrate into a new LDP-led coalition government after the July 18 House of Representatives vote.

Some political analysts said the end of the 38-year monopoly of power by the LDP loomed following the establishment of two breakaway parties from the LDP—the Japan Renewal Party and Sakigake—amid a series of bribery and mobster scandals and LDP's failure to pass election reform bills at the Diet.

"If they (the JNP and Sakigake) rule out any coalition with us... even if a coalition might be impossible, there could be still various types of cooperation and responses (between the LDP and the two parties)," the premier said.

The two parties reportedly want to distance themselves from the scandal-tainted LDP, since they fear public awareness of the possibility of that such cooperation with the LDP might discourage voters from casting ballots for them.

Miyazawa reiterated that the LDP would not hand over power to a coalition of opposition parties if the LDP emerges from the July 18 vote with the largest number of seats.

He said he now prefers to place priority to enacting measures that might discourage politicians from accepting bribes, rather than seeking to enact a set of four bills calling for political and electoral system changes. "I would not balk at putting priority to the urgent task of preventing corruption in connection with the issue of politicians and money, if the task required an urgent treatment," he said.

## LDP Chapter Rejects Campaign Visit by Miyazawa

*OW1207044693 Tokyo KYODO in English 0434 GMT 12 Jul 93*

[Text] Tokyo, July 12 KYODO—Prime Minister Kiichi Miyazawa on Monday [12 July] canceled a Tuesday campaign trip to Gifu Prefecture after local officials of his Liberal Democratic Party (LDP) said he would not help LDP candidates win extra votes in Sunday's general election.

Officials at the LDP headquarters in Tokyo simply said Miyazawa is too busy with "official duties." However, Miyazawa, 73, will go ahead with campaign speeches Tuesday as scheduled for LDP candidates in Aichi Prefecture.

In Gifu, a campaign worker for an LDP candidate in the House of Representatives election said, "Even if the prime minister comes, it does not lead to votes, and it is very tough to assemble people." A source close to Miyazawa acknowledged he has decided against going to Gifu after taking "the local sentiment into consideration."

A similar negative attitude forced the prime minister to call off a campaign tour of Hokkaido's No. 2 constituency.

Miyazawa is widely considered an election handicap for the LDP in a poll that may end the party's lower house majority. Last month he lost a no-confidence vote in the Diet over failure to achieve political reform.

Meanwhile, the LDP said it is dropping plans to hold a public debate with opposition parties because of the busy schedules of opposition leaders. Hiroshi Mitsuzuka, chairman of the LDP Policy Affairs Research Council, said he will utilize the rest of the campaign to appeal to voters on "the fallacies of an anti-LDP coalition government and discords over basic policies" among potential coalition partners.

## Hata's Platform Calls for Admitting War Guilt

*OW1207122293 Tokyo KYODO in English 1156 GMT 12 Jul 93*

[Text] Hamamatsu, Shizuoka Pref., July 12 KYODO—Shinseito leader Tsutomu Hata vowed on Monday [12 July] to make repentance over Japan's World War II atrocities as the starting point for his "new politics and diplomacy" if he should come to power. Hata, one of the leaders of a parliamentary revolt that plunged the government into crisis, made the remark at a news conference in Hamamatsu, Shizuoka Prefecture, central Japan.

The former finance minister told reporters that if a non-LDP coalition government takes power after the July 18 general election, it will adopt a Diet resolution expressing Japan's contrition over its World War II military actions. He said such a statement would announce to the world that Japan now repents its Imperial Army atrocities and vows to step up cooperation for world peace and prosperity.

The new government would express an official apology and feelings of atonement to neighboring Asian nations for its actions, the former Liberal Democratic Party veteran legislator said.

Hata did not state whether such a coalition would comply with calls for greater economic aid or individual war reparations from such victims as Asian women reportedly forced into prostitution in frontline brothels.

Hata led a mass defection June 22 of 44 members of the ruling Liberal Democratic Party (LDP), which is now in disarray over a series of bribery scandals. The split now threatens to topple the LDP-led government that has been in power since 1955.

The leader of the Shinseito (Japan Renewal Party) is now being touted as the next prime minister in the event of a major LDP electoral setback.

Hata also vowed that another pillar of his policy platform would be to increase investment in social infrastructure. "It is necessary to expand new social infrastructure...putting emphasis on citizens's interests," he said.

Hata also proposed carrying out "drastic deregulation" on business activities and transferring greater autonomy to regional municipal governments.

He pledged that the new coalition would "reform the iron triangle among" politicians, bureaucrats, and industrialists, a tie which he said was established as the result of the LDP's 38-year monopoly on power.

Hata said he would "revive Japanese politics by conducting a critical review of the old defects stemming from the Liberal Democratic Party's clamp on power."

The chief of the second-largest opposition party, Komeito, commended the conservative splinter party's new policy platform as "corresponding with our policy views."

Koshiro Ishida told a news conference in Okinawa, where he is on a campaign trail, that the splinter party's policies made him feel that "politics putting priority on consumers is gaining greater momentum" in Japan.

He urged the other two new parties—the Japan New Party (JNP) and Sakigake (Harbinger)—to join the opposition camp's efforts to scuttle the LDP's hold on power. He made the remarks amid speculation in the political community that the LDP may try to form a coalition government with the JNP and Sakigake.

### Tests Begun on Surplus Plutonium Consumption

*OW0207035393 Tokyo KYODO in English 1211 GMT 1 Jul 93*

[Text] Tokyo, July 1 KYODO—A Japanese Government-affiliated nuclear research institute said Thursday it has begun basic tests on the effectiveness of new technology which could enable the world's surplus plutonium to be consumed.

The Japan Atomic Energy Research Institute said that in a series of small-scale experiments, it has devised a new mixture of elements to be used as reactor fuel which results in the almost complete consumption of weapons-grade plutonium in conventional reactors. It said the substance which remains after the fuel is burned in the reactors is unusually stable and needs no further processing.

The institute, which is based in Tokyo but maintains most of its laboratories in Ibaraki Prefecture, is an affiliate of the Science and Technology Agency.

A feature of the new technology is that it does not require construction of special reactors and conventional reactors can be used without modification.

Many countries fear that the plutonium from dismantled nuclear weapons in countries which were once part of the Soviet Union could set off another arms race, but so far there is no effective way of getting rid of the substance. Conventional technology relies on a mix of plutonium and uranium as fuel, but the new technology would rely on a mixed oxide derived from plutonium, thorium, zirconium and aluminium.

When this fuel is burned in a reactor, 100 percent of the plutonium 239, which is the substance used in atomic bombs, is consumed. With conventional technology, when the fuel is burned in a reactor, uranium in the fuel changes into plutonium and is therefore not completely consumed. But the new fuel is extremely stable after its use and there is no risk of radioactive substances dissolving or eroding away. It can therefore be handled as a high-level radioactive substance without further processing.

The institute has successfully run small-scale experiments to confirm the feasibility of the use of the substance in conventional reactors like Russia's pressurized water VVER 1000 reactors and Japan's own pressurized water reactors.

The countries of the former Soviet Union have an estimated combined total of 100 tons of uranium if all their nuclear weapons are dismantled.

## North Korea

### Spokesman Says Clinton Remarks 'Irritate' DPRK

*SK1207074593 Pyongyang Korean Central Broadcasting Network in Korean 0707 GMT 12 Jul 93*

[Text] The DPRK Foreign Ministry spokesman answered a question raised today by the Korean Central News Agency [KCNA] reporter in connection with recent provocative violent remarks [tobalchogin pokon] made by U.S. President Clinton to slander us. The answers are as follows:

According to foreign news reports, U.S. President Clinton, on the occasion of his visit to South Korea, made violent remarks [pokondul] which severely irritate [chaguk] us and which state that if North Korea develops and uses nuclear weapons he would retaliate and that would mean the end of that country, and so forth.

If this is true, we must regard this as very grave [omjungsi hada].

Moreover, he openly found fault with us and babbled about the so-called retaliation or end [of the country]. This is a culmination [chibyakchokpyohyon] of the so-called policy of stifling [apsal] Korea, a policy pursued under the cloak of peace, and a radical provocation [kuktanhandobalhaengwi] against us.

The United States must as a matter of course ponder over fatal [chimyongjok] consequences that may arise from its rash and thoughtless action. If anyone dares to provoke us [urirulgamhuigondurindamyon], we will immediately show in practice [silchonuroboyojuda] what our resolute decision [yongdan] is.

Hard-liners have recently emerged in the United States with the Geneva DPRK-U.S. talks on the horizon, thus worsening [hurigoitta] international public opinion. Therefore, we have no choice but to pay due attention to this.

The nuclear issue and other pending issues have been placed on the agenda of the DPRK-U.S. talks, and solutions to these issues have been under discussion in earnest. Then, why has the United States been promoting extreme enmity outside of the talks. Its intention is as clear as daylight.

If the United States clings to the childlike [yuchihan] tactics of trying to get concessions from us during the talks by putting international pressure on us, this will be a miscalculation [osan].

The United States should correctly know that we, who treasure independence as valuable as life itself, do what we should do and do not do what we should not do even under pressure.

If the DPRK-U.S. talks are to bear fruits, the two sides must keep faith.

The United States promised to respect its partner inside the talks and indiscriminately [hyangbangopsi] denounce its dialogue partner outside of the talks. Such a conduct by the United States cannot be seen as a faithful act.

Furthermore, this U.S. behavior employing two-faced double tactics [pyori pudonghage yangmyon sulchaege maedallinun migugui chosa] shortly after the issuance of the DPRK-U.S. joint statement, leads us to have doubts rather than confidence [silloegami anira uisimi apsoge toemyo]. Therefore, we have no choice but to seriously examine the issue from a different perspective [urinun tarun kaktoeso sinjunghi munjerul kochalhaeboji anulsu opta].

If the United States truly desires the resolution of the nuclear issue, it should not resort to the method of applying pressure but should come to the talks in a more sincere manner even now.

We will watch the future actions of the United States [urinun migugui chahu haengdongul chikyobolgosida].

## KCNA Reports Response

*SK1207104593 Pyongyang KCNA in English 1037 GMT 12 Jul 93*

["DPRK FM [Foreign Ministry] Spokesman Warns U.S. To Ponder Over Consequences of Its Rash Act"—KCNA headline]

[Text] Pyongyang, July 12 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question of KCNA today about the provocative utterances of U.S. President Clinton against the DPRK.

The spokesman said:

According to foreign press reports, U.S. President Clinton during his trip to South Korea let out a string of words getting on our nerves, blaring that "if North Korea develops and uses nuclear weapons, it would risk U.S. military retaliation and it would be the end of their country".

If this is true, we cannot but take it seriously.

His open slander of the DPRK and his outcries about "retaliation" and "end" are a graphic expression of the U.S. policy of stifling Korea behind the facade of "peace" and a downright provocation against the DPRK.

The United States must ponder over the fatal consequences that might arise from its rash act.

If anyone dares to provoke us, we will immediately show him in practice what our bold decision is.

We cannot but pay due attention to the tough tones which have surfaced in the United States spoiling world public opinion on the threshold of DPRK-U.S. talks in Geneva.

It is as clear as noonday why the United States is inciting such extreme antagonism outside the conference room at a time when outstanding problems including the nuclear problem have been put on the order of the day and their solutions are under discussion at the DPRK-U.S. talks.

If the United States fosters such foolish means as trying to build up international pressure on the DPRK outside the conference room and wresting a concession from it inside the room through it, it would be a mistake. The United States must clearly know that we who hold independence dear as our own lives never refrain from what we should do or say we will do what we cannot, afraid of pressure.

If the DPRK-U.S. talks are to bear fruits, faith must be kept between the sides. The behavior of the United States in slandering the dialogue partner indiscreetly after promising to respect the other side at the conference room can never be regarded as an act of faith.

Seeing the behavior of the United States resorting to double-dealing tactics not long after the publication of the DPRK-USA joint statement, we rather have doubt than faith and, accordingly, cannot but seriously study the matters from another angle.

If the United States truly wants the solution of the nuclear problem, it would be well advised to approach the talks more sincerely before it is too late, not resorting to pressure.

We will follow the acts of the United States.

## South Peasants Protest Clinton Visit to Seoul

*SK1207044993 Pyongyang KCNA in English 0439 GMT 12 Jul 93*

[Text] Pyongyang, July 12 (KCNA)—A rally of peasants protesting President Clinton's tour of South Korea designed to force rice market opening was held in Seoul on July 10 with the participation of some 1,000 peasants affiliated with the National Federation of Peasants Associations (Chonnong), according to a radio report from Seoul.

Chonnong said in a letter of protest to the U.S. President adopted at the rally that the main purpose of Clinton's tour of South Korea this time is to force South Korea to open market for agricultural produce including rice.

It demanded the withdrawal of the U.S. pressure for the opening of market to agricultural produce and the overall rectification of the "new agricultural policy" of the "government".

After the rally they marched through the street, shouting "we oppose rice market opening".

Earlier, Chonnong released a statement opposing the U.S. President's tour of South Korea and demanding the withdrawal of the pressure to open market to agricultural products.

## KCNA Reports Student Protests

*SK1107082993 Pyongyang KCNA in English 0818 GMT 11 Jul 93*

["South Korean Public Protests U.S. President's Trip"—KCNA headline]

[Text] Pyongyang, July 11 (KCNA)—More than 700 students under Namchongnyon on July 10 staged a fierce protest in front of the Kwangju American Centre, the "American cultural centre" in Kwangju, chanting the slogan "Decisive opposition to South Korea trip of U.S. President Clinton who forces rice import", according to a radio report from Seoul.

With the U.S. President's tour to Seoul at hand, members of this organisation have been on a hunger strike since July 8 urging the United States to apologize for behind-the-scenes manipulation of the suppression of the Kwangju resistance and stop pressuring on South Korea to open rice import and held a meeting to "defend our rice" and oppose his Seoul trip.

Over 1,000 students under Hanchongnyon held a "meeting for checking rice import liberalization and opposing the interference in internal affairs and the South Korean trip of Clinton" at Tongguk University on July 9 in defiance of suppression, and warned that if the "government" yields to the U.S. pressure, it will face people' opposition.

The Human Rights Committee of the South Korean Council of Christian Churches in a statement on July 9 urged the United States to withdraw the pressure on South Korea to indiscriminately import agricultural produce from the U.S., take measures for eradicating the crimes of the U.S. Forces, five cases on a daily average, and rectify the unequal provisions of the South Korea-U.S. "Status of Forces Agreement".

The General Federation of Christian Students and the Christian Youth Council in a joint statement on the same day opposed the U.S. President's visit designed to force an opening of agricultural produce market.

## Government Transfers Remains of U.S. Soldiers

*SK1207051593 Pyongyang KCNA in English 0502 GMT 12 Jul 93*

[Text] Panmunjom, July 12 (KCNA)—The remains of 17 American soldiers, discovered by a humanitarian measure of the DPRK Government, were transferred to the United States today.

The transference was held here between the sides of the Korean People's Army and the U.S. Army.

The Korean side transferred to the U.S. side the remains of five American soldiers in May, 1990, eleven in June, 1991 and 30 in May, 1992.

## KCNA Identifies Remains

*SK1207101693 Pyongyang KCNA in English 1003 GMT 12 Jul 93*

[Text] Panmunjom, July 12 (KCNA)—The transfer of the remains of U.S. soldiers discovered in the Democratic People's Republic of Korea by a humanitarian measure of its government took place between the Korean People's Army and the U.S. forces in Panmunjom this afternoon.

Many reporters of the North and the South and foreign reporters gathered in the North side's portion of Panmunjom to cover the news.

The remains were discovered in Holdong Workers' Settlement, Yonsan County, North Hwanghae Province, and in Jonsung-ri, Unsan County, North Pyongan Province.

At 1300 hours, working delegates authorized by the military of both sides met with each other on the Military Demarcation Line in the area of the Panmunjom conference room.

The U.S. working delegate and U.S. Army experts of remains from Hawaii came over to the North side portion of the Joint Security Area and confirmed the remains to be transferred.

They confirmed one by one the remains of 17 American soldiers including Doogall H. Espey (military no. RA 12118373), Charles J. Brown (military no. Ra 12308455), Henry D. Connell (military no. Ra 11198679), Joseph A. Terrell (military no. Ra 38283423) and Leslle R. Heath (military no. Ra 17280030).

Then, the Korean People's Army side transferred the remains of American soldiers one by one to the U.S. Army side on the Military Demarcation Line, in the presence of working delegates of both sides.

After the transfer, U.S. Colonel Edward C. O'Dowd handed a confirmation document to the KPA side on behalf of the U.S. Army side.

The transfer of the remains of American soldiers took place on agreement by both sides after the recent DPRK-USA military working contacts at Panmunjom at the request of the U.S. side.

Today the U.S. Army side expressed thanks to the KPA side for the DPRK Government's humanitanian stand and efforts in transferring the remains of many American soldiers this time.

## Pyongyang Radio Reports Transfer

*SK1207131093 Pyongyang Korean Central Broadcasting Network in Korean 1217 GMT 12 Jul 93*

[Text] According to humanitarian step taken by the DPRK Government, the work of transferring the remains of U.S. soldiers discovered in areas in the northern half of the republic took place this afternoon between the Korean People's Army and the U.S. forces in Panmunjom.

Many reporters of the North and the South and foreign reporters gathered today in Panmunjom, our side's area, to cover the news on the transfer of the remains of U.S. soldiers to the U.S. forces.

At 1300 [0400 GMT] hours, working delegates authorized by the military of both sides met with each other on the Military Demarcation Line in the area of the Panmunjom conference room.

The U.S. working delegates and U.S. Army experts from Hawaii came over to the area of our side of the Joint Security Area and confirmed the remains to be transferred.

They confirmed one by one the remains of 17 U.S. soldiers, including Doogall H. Espey, military no. RA 12118373; Charles J. Brown, military no. RA 12308455; Henry D. Connell, military no. RA 11198679; Joseph A. Terrell, military no. RA 38283423; and Leslie R. Heath, military no. RA 17280030.

After confirming the remains of U.S. soldiers, the Korean People's Army side transfered the remains of U.S. soldiers one by one to the U.S. Army side on the Military Demarcation Line in the presence of working delegates from the two sides.

After the transfer of the remains of U.S. soldiers, U.S. Colonel Edward C. O'Dowd signed a document relating to the transferred 17 remains of U.S. soldiers on behalf of the U.S. Army side.

The transfer of the remains of U.S. soldiers took place today in accordance with an agreement reached between the two sides after the recent DPRK-U.S. military working contacts at Panmunjom at the request of the U.S. Army side.

From 1990 to present, our side has transferred 63 remains of U.S. soldiers to the U.S. side.

The U.S. Army side has expressed thanks to the Korean People's Army for the DPRK Government's humanitarian stand and efforts in transferring the remains of many U.S. soldiers this time.

## Delegation Departs for Geneva for Talks With U.S

*SK1007224693 Pyongyang KCNA in English 1021 GMT 10 Jul 93*

[Text] Pyongyang, July 10 (KCNA)—A delegation of the Democratic People's Republic of Korea headed by First Vice Minister of Foreign Affairs Kang Sok-chu left here today to attend talks between the DPRK and the United States of America to be held in Geneva.

The delegation was seen off at the airport by Vice Minister of Foreign Affairs Song Won-ho.

## ROK Ships Reportedly Infiltrate DPRK Waters

*SK1207121093 Pyongyang Korean Central Broadcasting Network in Korean 1116 GMT 12 Jul 93*

[Text] The South Korean puppets today committed a grave, provocative, military act of illegally infiltrating a group of combatant ships deep into territorial waters of our side in the Western Sea.

Around 1416 [0516 GMT] today, the South Korean puppets collectively infiltrated three combatant ships, which were hidden in the sea off in Taechon Island, with an insidious aim of kidnapping our peaceful fishing boats.

These three combatant ships, which infiltrated deep into the territorial waters of our side by crossing over the marine military border, in a combatant formation, proceeded northward in the sea off (mahak) island in front of (Chaejong-ri) in Ongjin county, South Hwanghae

Province. They attempted to kidnapped our peaceful fishing boat which was on a routine sailing. Our crew was threatened by the South Korean puppets' maneuvers of aggression.

The South Korean combatant ships's criminal attempt failed [patan] due to the rapid mobilization by the Korean People's Army naval patrol ships—which have firmly defended the post guards in the sea of our socialist fatherland—to the on-the-spot waters, then the South Korean comatant ships hastily ran away southward.

This military provocation by the South Korean puppets has been committed at the time of their recent and brutal aggravation of the North-South confrontation in collusion with foreign forces under the pretext of our nonexistent nuclear issue. We therefore cannot but regard it as very serious.

The reckless military provocation by the South Korean puppets, which was openly committed in broad day, is an international and deliberated provocative act to further aggravate tensions on the Korean peninsula.

## Foreign Ministry Warns of Japan's 'Dangerous Ambition'

*SK1207045793 Pyongyang KCNA in English 0446 GMT 12 Jul 93*

["Vicious Attempt of Japanese Government To Carry Out Nuclear Armament and Block Progress of DPRK-USA Talks - Statement of DPRK Foreign Ministry Spokesman -"—KCNA headline]

[Text] Pyongyang, July 12 (KCNA)—Japanese Prime Minister Miyazawa, at his talks with the U.S. President in Tokyo a few days ago, said that "Japan is not in a position to totally rule out the possibility of posessing nuclear weapons" as it is facing "possible nuclear threat" of the Democratic People's Republic of Korea.

In this connection, a spokesman for the Foreign Ministry of the DPRK published a statement on July 11.

The statement reads:

Prime Minister Miyazawa openly revealed the intention of Japanese Government to arm Japan with nuclear weapons at any cost by inventing an absurd pretext when he elaborated on the "possibility of possession of nuclear weapons" by Japan, bringing forth fictitious "nuclear threat" of the DPRK.

Now peoples of all the countries of the world who love peace and justice are hailing the DPRK-U.S. governmental-level talks and the DPRK-USA joint statement which came at the end of it and they hope that the nuclear problem of the Korean peninsula will be fundamentally resolved at the subsequent talks between the two countries.

The Japanese authorities, however, displeased with this, have never let a chance pass by without crying intentionally over the non-existent "nuclear problem" of the DPRK.

At the past DPRK-Japan talks, Japan brought forward the "nuclear problem" of the DPRK so persistently, finally breaking up the talks, and at the summit of Group-7 a few days ago, worked mischiefs over this "problem." It is now clear as clear can be that they sought their own nuclear armament in this.

The continued clamour of Japan over the "nuclear threat" of the DPRK is also motivated by its malicious intention to block the progress of the forthcoming DPRK-U.S. talks at whatever cost, dismayed at the lost of the pretext for its nuclear armament.

The Government of the Democratic People's Republic of Korea hopes and believes that the nuclear problem will be fundamentally resolved on the Korean peninsula and its denuclearisation be realised.

The point at the moment is to check and frustrate the scheme of Japan to arm itself with nuclear weapons.

The Asian countries, the direct victims of Japan in the past days, and the international community should guard against this dangerous ambition of Japan for nuclear armament and take a joint action against it.

## Daily Decries Japan's 'Open Anti-DPRK Campaign'

*SK1007112193 Pyongyang KCNA in English 1003 GMT 10 Jul 93*

["What Is False Propaganda For?"—KCNA headline]

[Text] Pyongyang, July 10 (KCNA)—The Japanese reactionaries are now feverishly spreading the false report that according to the then "diplomatic documents" and "material on secret talks" concerning the Korean war, the DPRK started the war after making preparations. They are also holding forth about the construction of a "dam" by the DPRK.

Commenting on this, MINJU CHOSON today says this is a groundless, false propaganda and part of their open anti-DPRK campaign.

The analyst further says:

It is well known a fact that the Korean war was unleashed when the United States instigated the South Korean puppets to invade the North by surprise.

Then, why are the Japanese reactionaries trying to mislead world opinion, misrepresenting the clear-cut historical fact today?

Japan, in chorus with the South Korean puppets, is raising terrific outcries over the "nuclear problem" of the DPRK, taking the lead in the adventurous clamor over its "nuclear threat" and openly partaking in the moves to isolate the DPRK internationally and stifle it.

By so doing, they seek to undermine the prestige of the DPRK which is displaying dignity and grand appearance for its anti-war, anti-nuke peaceloving and independent policy and drum up support for their anti-DPRK campaign concerning the "nuclear problem."

The Korean people remember that Japan invented a pretext for its aggression on Korea through crafty intrigues and committed unheard- of massacre and plunder.

If the Japanese reactionaries follow the old path, it would spell unpredictable, grave consequencies.

They would be well advised to act with discretion, clearly mindful of this.

### Miyazawa's Comment on Nuclear Issue 'Ruse'

*SK1207054093 Pyongyang KCNA in English 0500 GMT 12 Jul 93*

["Nuclear Armament Design Must Be Renounced"—KCNA headline]

[Text] Pyongyang, July 12 (KCNA)—Japanese Prime Minister Miyazawa at the Japan-U.S. summit a few days ago driveled that North Korea's "nuclear development" is a "threat" to Japan and "a challenge to the system of the Nuclear Nonproliferation Treaty [NPT]."

Branding these remarks as a ruse to justify Japan's nuclear armament, a NODONG SINMUN analyst says:

Japan has, in fact, reached the world's level in nuclear technology and the development of delivery means, thus placing itself in a position to become a nuclear power in the shortest possible date, once it decides to. And it is going ahead with a plan to stockpile 400 tons of plutonium in thirty years to come.

On the other hand, Japan is trying by hook or by crook to get rid of obstacles to its nuclear armament. At the recent G-7 [Group of Seven] summit, Japan expressed reservations about the question of extending for an indefinite period the NPT which expires in 1995.

The Japanese Government is persistently opposing the codification of the "three non-nuclear principles" banning the production, possession and introduction of nuclear weapons. Japan voted against a resolution banning the production and use of nuclear weapons at the United Nations. What are these acts of Japan, if they are not a challenge to the NPT system?

What Japan seeks in these acts is to appear on the scene as a nuclear power and jump into the worldwide strife for hegemony and realise with strength the dominationist desire which it failed to achieve in the past.

The nuclear armament of Japan is a new serious threat to peace and security of Asia and the world.

Japan must abandon the bad habit of picking quarrels with others and renounce its nuclear armament program.

### KCNA Reports South 'War Exercises' for 7-8 Jul

*SK1007053793 Pyongyang KCNA in English 0452 GMT 10 Jul 93*

["War Exercises To Invade North"—KCNA headline]

[Text] Pyongyang, July 10 (KCNA)—The South Korean puppets staged ground and air war exercises against the North in areas near the Demilitarized Zone (DMZ) along the Military Demarcation Line (MDL) on July 7 and 8, according to military sources.

On July 8, tanks of the puppet Army deployed in the areas of Kumpa-ri, Paju County, and Oksan-ri, Yonchon County, fired guns into areas adjacent to the DMZ while moving toward the MDL. On July 7 and 8, large-calibre guns of the puppet army which took positions in Hapo-ri, Paju County, Mago-ri, Yonchon County, and Chungse-ri, Cholwon County, and Sohwa-ri, Inje County, South Korean Kangwon Province, fired over 170 shells.

Puppet Army troops deployed in Kangsan-ri, Cholwon County, South Korean Kangwon Province, and Nosang-ri, Paju County, Kyonggi Province, fired at random more than 1,500 rounds of large-calibre machine guns and automatic rifles on July 8.

Formations of helicopter gunboats and transport helicopters of the puppet army staged aerial surprise attack exercises in the skies above Munsan-ri, Paju County, Songok-ri, Yonchon County, and Sangsa-ri and Yangji-ri, Cholwon County on July 8 and fighter-bombers and assault planes of the Combat Flying Corps of the puppet Air Force staged air-to-ground strike exercises in the skies above Yonchon and Pochon on July 7.

### Commentary: ROK 'Putting Brakes' on U.S.-DPRK Talks

*SK1107140593 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 10 Jul 93*

[Commentary by station commentator Chong Pong-kil: "Confrontation and War Maneuvers Can Never Be a Way Out"]

[Text] As has been reported, the South Korean warmongers are bent on ground and aerial war rehearsals for northward invasion near the demilitarized zone [DMZ].

On 7 and 8 July alone, the puppet army was deployed in various locations from the western to the eastern front, recklessly firing tank guns, large-caliber guns, light machine-guns, and automatic rifles. The puppet army's armed helicopters, cargo helicopters, fighter-bombers, and assault planes flew around, rigorously conducting an aerial surprise attack exercise and an air-to-ground strike exercise for a simulated invasion of the North.

Prior to this, on 3 July, the puppet army perpetrated a grave military provocation of firing a large-caliber machine-gun at a civilian police guardpost on our side in the DMZ southeast of (?Kijong-ri), Changpung County, on the western front.

These military commotions and provocations were by no means accidental. As has been known, South Korea's current ruling bunch are unhesitantly making remarks and carrying out acts instilling North-South confrontation and instigating situations aggravating tension.

The South Korean ruler himself appeared at the front line of the Military Demarcation Line and talked about someone's provocation, thus babbling that every preparation should be made. At a meeting of the commanders of the three branches of the military, he said that peace can be maintained only when there is strength and so on, thus stirring up a war fever.

In this connection, the puppet defense ministry spread groundless scheming rumors that we are strengthening combat readiness under the purpose to complete war preparations by 27 July. It is also pressing the puppet army to maintain an attitude of making complete preparations for combat.

These days the South Korean puppet army is all the more frequently clinging to the reckless commotion of playing fire inside the DMZ along the Military Demarcation Line. This is a direct expression of confrontation and war policy which bears intentional and planned characters.

This is an antinational criminal act directly running counter to the nation's intention for reconciliation, unity, and for peaceful reunification. This can simply be viewed as an open challenge in our earnest and sincere efforts to resolve the issue of the country's peace and reunification through the nation's independent strength.

The 10-point program of great national unity wholly elucidated the nation's common interest and in this connection elucidated various principles and methods to achieve national unity and resolve the reunification issue. It called for the North and South to end all wars and dissolve together suspicions of northward invasion, southward invasion, victory over communism, and communization.

To discuss pending issues including the nuclear issue, we proposed to the South side to exchange special envoys and made every efforts to realize it. However, under unreasonable excuses, the South Korean rulers turned their backs on our rational proposals and sincere efforts, and answered by carrying out the provocative Ulji-93 war exercise. Moreover, maneuvers to aggravate tension which instigate us are continuing unyieldingly.

Especially, what cannot be overlooked is the fact that after the announcement of the DPRK-U.S. joint statement, the South Korean authorities are being all the more defiant under the pretext of North's nonexistent nuclear issue. The North's nuclear issue is a fiction fabricated by the imperialist reactionaries to smash [apsal] our Republic, the fortress of socialism. It is another form of the so-called rumors of the threat of southward invasion.

The South Korean authorities are turning South Korea into an exhibition hall of U.S. nuclear weapons and are accelerating to develop their own nuclear weapons. They are also wielding the North's nonexistent nuclear issue as a remedy for every ill. Externally, they are making a fuss by saying that the United States should no longer make concessions in dialogue with North Korea and that joint international sanctions against North Korea should be carried out. Internally, they are saying that they cannot shake hands with the counterpart that has nuclear weapons and so on. Therefore, they are moving toward the road of confrontation and war. How much of a brazen-faced and treacherous act is this?

It is clear that they are intentionally clinging to the maneuvers of aggravating tension by putting brakes on the DPRK-U.S. dialogue and preventing the reunification atmosphere of alliance with communism and alliance with the North which is being enhanced among the South Korean people. At the same time they are trying to turn the South Korean people's attention to somewhere else to ease the dissatisfaction of their deceitful reform policy and alleviate political instability. Anyone can see that this is moving toward the road of confrontation.

South Korea's current ruling force has hung up the signboard of a civilian regime but it is following in the steps of the wrongful evil practices of its former military dictatorial predecessors. There is nothing for them to obtain in the maneuvers of confrontation and aggravating tension.

The South Korean rulers should immediately stop reckless acts of indiscriminately instilling and irritating the fellow countrymen by conspiring with outside forces and leading North-South relations to a more acute confrontational situation.

If they continue to move toward instilling North-South confrontation by following in the steps of their predecessors, they will have to pay an expensive price.

## South Korea

### Reportage, Commentary on U.S. President's Visit

### Clinton: U.S. Needs 2-War Capability

*SK0907230893 Seoul YONHAP in English 2251 GMT 9 Jul 93*

[Text] Washington, July 9 (YONHAP)—U.S. President Bill Clinton, pulling back from "win-hold-win" strategy, said Friday the United States concluded it must be able to fight and win two conflicts simultaneously.

"During the Cold War, our force structure was shaped by the need to counter the forces of the Soviet-led Warsaw operation for one year as agreed on between former presidents No Tae-u and George Bush in January last year.

Under the PEI, the two governments have wiped out most of thorny trade disputes, Hong said.

Vice Foreign Minister Hong Sun-yong said, "We will be seeking future-oriented cooperation with the United States and ways to remove obstacles to trade, investment and technological cooperation, moving away from the tendency of the past to find solutions for case-by-case disputes."

In this context, the DEC will be operated in the matter of partnership with the United States, Hong said, adding that the five-year economic program (1993-97) will provide a momentum to the future-oriented cooperation.

APEC [Asia-Pacific Economic Cooperation] will also be of great concern to both Korea and the United States to liberalize markets of involved countries.

President Kim said in his speech on "Pacific Era and Korea's New Diplomacy" at the leaders' forum of the 26th PBEC [Pacific Basin Economic Council] general meeting in Seoul on May 24, "We are in support of the convening of the 'Asia-Pacific summit meeting,' since we believe that such a meeting will contribute to the promotion of cooperation in the region." The United States and Australia have already expressed support for holding an APEC summit.

A Foreign Ministry official said that a summit is likely to be held during the fifth APEC ministerial conference slated for Seattle Nov. 17-18.

He added that the summit is earlier than expected. Early this year, the summit was expected to be realized at next APEC ministerial conference slated for Indonesia next year.

The United States is seeking an accord on trade and investment framework at meetings of senior officials from 15 member nations for a visible result at the summit. At a meeting June 30-July 2 in Seattle, the U.S. delegation presented an accord draft which underlines the establishment of a committee with a binding force and scope of activity.

The Clinton administration has emphasized the 15-member APEC amid the deadlock of the Uruguay Round of multinational negotiations and the North American Free Trade Agreement which has also been bogged down from an appeal by a judge recently. The APEC can be used as a leverage to the European Community, a ministry official said.

The United States is the largest market of Korean commodities and the largest trading partner of Korea. Korean exports to the United States occupied 23.6 percent of the total and imports from the U.S. accounted for 22.4 percent of the nation's total imports last year. Korea chalked up $340 million and $200 million in trade deficit with the United States in 1991 and 1992, respectively, from a record high surplus $9.55 billion in 1987, $4.73 billion and $2.42 billion in 1989 and 1990, respectively.

Although trade deficit decreased a little last year, both exports and imports to and from the United States declined, which is undesirable. In particular, Korea's exports continued to decline in the 1990s.

### US Investments

The United States is the second largest investor nation in Korea, following Japan. U.S. investment in Korea stood at $2.6 billion by 1991, accounting for 27 percent of the total foreign investment. Since the 1980s, U.S. companies have increasingly invested in technology-intensive fields, including chemicals, electric and electronic sector, vehicle and machinery manufacturing. U.S. investments in financing and other services has rapidly increased in line with wider opening of the domestic market.

On the other hand, Korea invested an estimated $1.2 billion in the United States by 1991, accounting for 35 percent of the nation's total overseas investment. In the early 1970s, the investment centered on clothings and wigs and was extended to manufacturing sector in the 1980s. Recently, Korean firms have shifted their investment to technology-intensive sectors.

About 27 percent of the total 7,526 contracts in technology imports came from the United States by 1991, following Japan which occupied 41 percent. However, U.S. firms were paid $2.9 billion in royalty or 40 percent of the $6.1 billion paid to foreign technology sellers by 1991.

The two governments have held annual economic consultation in Seoul and Washington alternatively since the first meeting was held in June, 1961. This year, the talks were held in Seoul on June 24. This is the highest-level of regular economic talks between the two countries.

A working-level energy talk has been held every year in Seoul and Washington alternatively to discuss energy issue since 1981 and a Korea-U.S. joint atomic energy commission talk since 1977.

## Visit of 'Grave Geopolitical Importance'

*SK1007031693 Seoul THE KOREA TIMES in English 10 Jul 93 p 6*

[Editorial: "Korea-U.S. Summit"]

[Text] The official working trip to Seoul today of U.S. President Bill Clinton indicates the grave geopolitical importance the U.S. places in what is called the most creative and dynamic area in the world.

In view of its ever-growing influence as an uncontested superpower in the wake of the demise of communism in the Soviet Union and elsewhere, the American political and military role in the this part of the world cannot be overemphasized.

Clinton will surely carry glad tidings on his visit to Seoul for summit talks with President Kim Yong-sam. The message will unquestionably include an unswerving U.S. defense commitment to Korea as the stabilizer and balancer necessary to ensure a promising new order in the best interests of other Asian countries.

The crucial North Korean nuclear issue will naturally top the agenda of their summit as it remains unresolved, seriously threatening security interests of the Asian-Pacific zone with the Korean peninsula being most susceptible to the outbreak of a regional conflict at any time.

The Korea-U.S. summit talks is also expected to be highlighted with extensive briefings from both sides on progress of their new administrations' reforms, notably Korea's five-year new economy plan and market-opening package.

In fact, the Seoul-Washington ties of amity are at present not as strained as in the 1970s when the Korean human rights problem became a hard row to hoe or the 1980s when radical students tried to fan anti-American sentiments.

Kim and Clinton are most likely to apply themselves to working out concerted measures to prod Pyongyang into compliance with calls for special inspection of its suspected nuclear sites. Clinton will unequivocally express the U.S. intention to remain a Pacific power and renew the commitment to halting the spread of arms as a major foreign policy goal.

Consequently, this will serve as a strong warning against North Korean attempts to capitalize on talks with the U.S. as a stalling maneuver to give it the time to produce nuclear arms.

Besides the nuclear issue, their attention will also be claimed by reports that North Korea has successfully tested its Nodong-1, a surface-to-surface missile with a range of 1,000 km, capable of hitting targets in Japan with nuclear warheads.

Coordination of policies by Korea and the U.S. is more needed than in the past as the risk of conflict looms large with regional military buildups.

Both Korea and the U.S. have concurred on the need to forge a closer partnership in security arrangements. Also fortunate is the fact that trade ties in favor of the U.S. have now become balanced. Korea registered $335 million deficit in 1991 and another $197 million last year but enjoyed a $115 million trade surplus during the January-May period this year.

One thing that still remains thorny is the constant U.S. demand that Korea open its agricultural market to American rice. Multilateral approaches to world trade liberalization would be desirable to solve this problem. Korean farmers regard the opening of the rice market here as equivalent to a death sentence.

Meanwhile, the overall environment surrounding the Korean peninsula where China and Japan are already caught up in a struggle for hegemony through arms build-ups is, in our opinion, no less important an issue than the Korea-U.S. bilateral questions.

We feel there is a need for the U.S. to dissuade Beijing and Tokyo, which are conspicuously beefing up their military clout on the basis of their economic might, from emerging as new military powers, trying to fill the power vacuum created by the diminishing U.S. military presence here either with the reduction of armed forces or the closing of its bases.

In this connection, Clinton's overtures for the creation of a New Pacific Community and an APEC (Asian-Pacific Economic Cooperation Council) summit in Tokyo are construed as having the underlying aim of preventing Japan from dominating the world's fastest growing economic region.

Such Japanese economic predominance is incommensurate with the U.S. goal of building a collective security system in the Asian- Pacific region, a program which the U.S. may suggest here.

It is our earnest hope that Clinton's Asian tour will help his government perceive what role it should play to deter destabilizing change in this part of the world.

This will also be one way to eliminate the worries of many states about the U.S. monopoly on decisions about world affairs in this one-superpower world.

## Seoul Seeks Extradition Treaty With U.S.

*SK1007032893 Seoul THE KOREA TIMES in English 10 Jul 93 p 2*

[Text] The government will seek an extradition treaty with the United States to prevent criminal suspects from fleeing to the country, Foreign Ministry officials said yesterday.

A ministry official said that criminal suspects frequently fled to the United States to avoid prosecution and that it was hard getting them back due to the absence of a bilateral pact.

Now, Australia and the Philippines are the only nations with which Korea has concluded extradition pacts. The government has initialed similar pacts with Canada, Brazil, Paraguay, Argentina, Spain and Thailand.

But Korea needs the pact with the United States most as the North American nation is the favorite haven of Korean criminals, the official said.

Meanwhile, the government plans to sign a treaty on mutual assistance in criminal matters when new U.S. Ambassador James Laney assumes his post.

Sin Hyo-hun, directorgeneral of the ministry's Treaties Bureau, said, "We wanted to sign the treaty at foreign ministers' talks Sunday [11 July] when Secretary of State Warren Christopher comes to Seoul accompanying President Bill Clinton. But the signing has had to be delayed due to tight schedule."

"After the signing of the treaty on the mutual assistance treaty, we will negotiate the bilateral extradition pact," he said.

### Visit Expected To Clarify U.S. Policy

*SK1007034993 Seoul THE KOREA TIMES (SUPPLEMENT) in English 10 Jul 93 pp 1, 3*

[By staff reporter Kim Song-pok]

[Text] U.S. President Bill Clinton will fly into Seoul this morning and stay here for some 30 hours, holding summit talks with President Kim Yong-sam addressing the National Assembly, jogging with Kim at Chongwadae and visiting the truce village of Panmunjom and a U.S. Army base.

Reports have it that Washington sees special meaning in Clinton's choice of Seoul and Tokyo as the destinations of his first long overseas journey since his inauguration.

The U.S. President visited Vancouver last April for talks with Russian President Boris Yeltsin.

Diplomatic sources here see Clinton's visit as significant, saying his visit to Seoul is different in nature from that to Tokyo. They point out that the major purpose of Clinton's visit to Japan was to attend a G-7 [Group of Seven] meeting.

The U.S. Embassy in Seoul has revealed that after the schedule of Clinton's visit to Tokyo had been set, such Pacific-basin countries as Indonesia, Singapore, Australia, New Zealand and the Philippines asked the U.S. President to visit their nations, according to the report.

The White House reportedly appears to want the visits by Clinton to Northeast Asia to be seen as an occasion to display the U.S. policy of giving priority to this part of the world.

The U.S. press did not have optimistic expectations of the epochal measures, including settlement of the multilateral Uruguay Round negotiations as well as the lowering of trade barriers, that the United States hopes to see.

As Clinton himself said earlier, there is little possibility that Japan will take major steps to narrow the trade surplus with the United States.

In this context, Clinton's visit to this region is expected to be used as an opportunity for Washington's clarification of its policy toward Asia, which some call the "U.S. Asian Doctrine" of the 21st century.

Diplomatic sources here forecast that Clinton may declare the United States will remain a major power in Asia. The world suspicion of North Korea's nuclear development is prodding Washington to continue its role as the shield for freedom in Asia, they noted.

Clinton's two-day visit to Seoul will start with the summit with President Kim.

Top on the agenda of their talks is certain to be the North Korean nuclear issue.

The two leaders are expected to tune their subtle discrepancies shown in the wake of the June 11 joint announcement of the U.S.-North Korea high-level meeting in New York.

The U.S. President shortly voiced his satisfaction with the outcome of the Washington-Pyongyang meeting. However, President Kim warned against the "tactics of delay" by North Korea to buy time in his BBC-TV interview aired June 25, adding, "The United States should make no further concessions to North Korea."

A ranking government official said yesterday, "The two leaders are expected to issue a joint message to North Korea, targeting the second round of U.S.-North Korea high-level talks which are to begin July 14."

Kim and Clinton are also expected to exchange views on ways of realizing regional free trade through Asia Pacific Economic Cooperation (APEC) as well as the promotion of multilateral security cooperation in Asia.

Worthy of note is whether an APEC summit in Seattle in November, which Washington has proposed, will be agreed during the summit.

After the summit, Clinton will make a visit to the National Assembly to deliver his address on the theme "U.S. Policy toward Asia."

Seoul officials say that the address will be U.S. "Neo-Asian Doctrine."

They believe that Clinton may unveil his administration's policy toward Asia during his address before the House taking into consideration the unstable security situation on the Korean peninsula under the alleged nuclear threat from the North.

It was reported that Clinton, in connection with the U.S. role in the restructuring of order in Asia in the post-Cold War era, will stress that his country will remain an Asia-Pacific nation, that security in Asia is the key factor of U.S. global strategy and that the U.S. will stand firm on its security commitment to South Korea.

It was reported that Clinton plans to affirm that the United States will adopt a "win-win" strategy, carrying out victorious wars at two sites simultaneously, instead of the reported "win-hold-win" strategy of concentrating U.S. military capability on one battle field, probably the Middle East, while holding back aggression at another place, probably the Korean peninsula.

This was reportedly discussed in a meeting of defense ministers of the two countries.

On the second day of his visit, the U.S. President reportedly plans to spend most of his time with U.S. troops near the front line.

It is a traditional practice for U.S. presidents to visit the troops during their overseas trips. But Clinton is said to place much emphasis on his schedule for the visits to U.S. troops here, apparently mindful of domestic suspicions about his military career as well as his controversial remarks on allowing military service by homosexuals.

Clinton's visit to Seoul is to be capped with jogging of the two leaders at Chongwadae, a symbolic event displaying the traditional friendly relations of the two nations.

During the summit talks between the two leaders, First Lady Son Myong-sun will have a meeting with her U.S. counterpart Hillary Clinton.

On the second day of her visit, Hillary plans to look around the capital area, protocol officials revealed.

Clinton's visit to Seoul will become the first-ever "working level" visit doing away with fussy protocol ceremonies which were put on for former U.S. presidents.

The U.S. presidential couple will be accompanied by a large group of some 200 reporters.

During his visit, Clinton was to stay overnight at Hyatt Regency Hotel in a departure of the past practice of former U.S. presidents who have spent the night at the U.S. ambassador's residence in downtown Seoul or at U.S. military camps.

However, an accidental explosion at the hotel July 5 caused the security officials from both sides to change the lodging place.

## YONHAP Reports Clinton's Arrival

*SK1007075193 Seoul YONHAP in English 0720 GMT 10 Jul 93*

[Text] President and Mrs. Clinton, accompanied by a 20-member official entourage, arrived at Seoul airport around 2 PM aboard Air Force One for a two-day working visit. The presidential couple were warmly greeted at the airport by Foreign Minister and Mrs. Han Sung-chu and a number of other Korean and American officials.

President Kim said that the American President renewed his country's firm security commitment to South Korea, and made it clear that there would be no further reduction in the U.S. military strength in Korea until suspicion over North Korea's nuclear arms development is completely cleared away. Kim also said in the press statement that he and Clinton decided to establish a Korea-U.S. economic cooperation dialogue channel as a new economic consultative organization. He said the new organ is designed to better facilitate the two countries' future-oriented economic partnership.

President Clinton said he and President Kim agreed that the two countries should work together to strengthen the bilateral economic partnership.

"To this end, we will initiate a broad-based dialogue to addresss economic deregulation and explore ways to enhance our economic cooperation," Clinton said.

President Kim said he shared the view with President Clinton that the Uruguay Round of global trade negotitions should be resolved by the end of this year for the sake of envigorating the world economy.

"Our two countries will continue to cooperate in the days to come for the successful conclusion of the talks," President Kim said.

After the press conference at Chongwadae [presidential residence], President Clinton drove to the National Assembly where he was to address an assembly plenary meeting.

He will also confer with speaker Yi Man-sop and bipartisan leaders including Kim Chong-pil, chairman of the ruling Democratic Liberal Party, and Yi Ki-taek, head of the opposition Democratic Party.

Clinton's suite includes Secretary of State Warren Christopher and Secretary of Defense Les Aspin who will have opportunities to have separate meetings with their respective Korean counterparts, Ministers Han Sung-chu and Kwon Yong-hae.

On Saturday evening, President and Mrs. Clinton will attend a banquet to be hosted by President and Mrs. Kim at Chongwadae in their honor.

## Kim Yong-sam, Clinton Hold News Conference

*SK1007083393*

[Editorial Report] Seoul KBS-1 Television Network in Korean at 0715 GMT on 10 July carries live coverage of a joint news conference given by ROK President Kim Yong-sam and U.S. President Clinton from the Chongwadae presidential office.

President Clinton makes a statement on the results of the summit talks, confirming that the United States will continue to support the ROK in various fields. He thanks President Kim for supporting the results of the Group of Seven meeting, for his support in the Uruguay Round, and for his efforts to achieve democracy.

President Clinton concludes his remarks by expressing his hopes for further discussions in various fields when President Kim visits the United States sometime this year.

Reporters then begin to ask questions.

President Kim receives only one question, from TONG-A ILBO reporter Song Yong-on. Song asks: "You said that if North Korea does not show a sincere attitude in resolving the nuclear issue, it will be inevitable to take pertinent measures. What is your time frame in dealing with the North's nuclear issue, and what kind of measures will you take regarding this matter?"

President Kim answers: "I believe it is not appropriate to answer that question at this time. However, what is clear is that we have already reached various forms of agreements with the United States regarding this matter. We will also continue to consult closely with the United States."

The remainder of questions went to President Clinton. Asked about China's role in the North's nuclear issue, President Clinton says China can play a constructive role in resolving the North's nuclear issue. Asked about his view on establishing an ROK-U.S. economic cooperation forum, President Clinton says he hopes that this will be an opportunity to develop economic cooperation between the two countries and to resolve trade disputes.

When asked how he will deal with the North so that it can comply with the International Atomic Energy Agency, President Clinton agrees with President Kim that this is not the appropriate time to answer this question.

### YONHAP Reports

*SK1007072693 Seoul YONHAP in English 0713 GMT 10 Jul*

[Text] Seoul, July 10 (YONHAP)—South Korea and the United States agreed on Saturday that the North Korean nuclear issue should be resolved early through effective inspection of nuclear facilities. The agreement was reached at a summit meeting held between Presidents Kim Yong-sam and Bill Clinton at Chongwadae.

The American President flew into Seoul earlier in the day for a brief working visit.

At a joint press conference with President Clinton after the summit that lasted about one hour and 20 minutes, President Kim said he and President Clinton shared the view that North Korea should remain under the regime of the Nuclear Nonproliferation Treaty (NPT) and faithfully fulfill its treaty obligations by allowing the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities.

"President Clinton and I have discussed the nuclear issue in depth and agreed that the question constitutes a serious threat undermining the stability in Northeast Asia and the whole world let alone peace on the Korean peninsula," President Kim said in his press statement.

Kim said South Korea and the United States will continue to persuade North Korea to resolve the controversial question.

"If North Korea does not show a positive response despite our sincere efforts, there will inevitably be an appropriate action by the international community against North Korea," the Korean president said.

President Clinton, in his press statement, said that South Korea and the United States have been quite cautious about North Korea with respect to the nuclear question.

"But, we are willing to test that country's willingness to take the path of cooperation in the context of a full resolution of the nuclear issue," Clinton said.

### Kim Yong-sam Makes Statement

*SK1007085093 Seoul KBS-1 Television Network in Korean 0705 GMT 10 Jul 93*

[Statement by President Kim Yong-sam at joint news conference with U.S. President Clinton at Chongwadae (presidential offices) after ROK-U.S. summit talks on the afternoon of 10 July—live]

[Text] Good afternoon, ladies and gentlemen from domestic and foreign press. First of all, it is my great pleasure to welcome President Clinton to Chongwadae this afternoon. Today President Clinton and I had very productive talks on various matters of mutual interests for one hour and 20 minutes.

I was deeply impressed by the efforts of President Clinton, who is demonstrating his leadership role in maintaining world peace while coping with new types of challenges that are emerging in the post-cold war era.

At today's talks, we exchanged our views on the current international situation and the situation in Northeast Asia after the end of the cold war. We broadly discussed the issue of developing partnership between the ROK and the United States in many domains including political, security, economic and trade.

In particular, we had an in-depth discussion of North Korea's nuclear development program. We shared the view that this issue poses a serious threat not only to peace on the Korean peninsula, but also to security in Northeast Asia and the world as a whole.

We expressed our satisfaction over close coordination between our two countries in dealing with the North Korean nuclear issue.

We confirmed that through this process we should continue to encourage North Korea to remain within the nuclear nonproliferation regime and to implement faithfully obligations of the International Atomic Energy Agency [IAEA]; and, through effective mutual inspection, the Joint Declaration of Denuclearization of the Korean peninsula should be implemented so that North Korea's nuclear suspicions be removed promptly.

The efforts of the ROK and the United States to persuade North Korea for resolution of North Korean nuclear issue will continue in the future, too.

The second round of U.S.-North Korea contact will take place in a few days. At the same time, we will keep the door open for North-South dialogue.

If North Korea does not assume a new attitude toward resolving the nuclear issue, despite our sincere efforts at persuasion [solduk], the international community will inevitably have to come up with appropriate countermeasures [chokcholhan taeung].

President Clinton confirmed that the United States would keep its firm commitments to defend the ROK. He also made it clear that the ROK and the United States will abide by the existing agreement to postpone a further reduction of the U.S. Forces in Korea until the uncertainty about North Korea's nuclear development plan has been thoroughly examined.

President Clinton and I agreed that the ROK and the United States have maintained satisfactory trade relations and that the various measures that the ROK Government has been pursuing to achieve economic autonomy and internationalization under the new economic policy will contribute to expanding and developing bilateral trade relations.

President Clinton and I agreed that the ROK and the United States would launch ROK-U.S. dialogue for economic cooperation as a new consultative forum to develop a future-oriented economic partnership.

We agreed that this organization will discuss ways to lessen the restrictions that affect bilateral economic relations and to promote economic cooperation.

President Clinton and I agreed that the Uruguay Round negotiations must be concluded by the end of this year to help revitalize the world economy and that the two countries will cooperate for the conclusion of the negotiations.

The ROK and the United States have maintained close relations of friendship and cooperation for the past several decades as close friends and allies.

I believe that these ties between the two countries will develop into a durable and comprehensive partnership not only in politics and security but also in the economic, cultural, artistic, and academic fields, as well as all other fields, based on the common ideal of democracy.

I am absolutely satisfied with the results of today's talks. I firmly believe that today's talks are the first successful talks among a series of talks that will be held while President Clinton and I are in office. Thank you very much.

## YONHAP Reports Highlights

*SK1007103193 Seoul YONHAP in English 1019 GMT 10 Jul 93*

[Text] Seoul, July 10 (YONHAP)—South Korea and the United States on Saturday reaffirmed continued U.S. presence on the Korean peninsula to deter North Korea's nuclear threat in their first summit since introduction of new governments in the two countries.

Presidents Bill Clinton and Kim Yong-sam, emerging from the summit, linked continued American security commitment to South Korea and North Korea's nuclear problem.

"President Clinton renewed firm commitment of the United States to the defense and security of the Republic of Korea and reassured that any further reduction of U.S. forces in Korea would be made only after the uncertainties surrounding North Korea's nuclear program has been thoroughly examined," said Kim in his press statement after the 100-minutes talks in private and expanded summit.

Clinton, in a separate statement, said he reassured Kim his country will keep its historic role and Washington's strong intention to "have no further reduction in our military presence in this region, as long as there is any outstanding question of security regarding this (North Korean nuclear) issue."

While voicing strong resolve to settle Pyongyang's nuclear situation, the two presidents declined to go into possible punitive measures when North Korea refuses international inspection on its suspicious nuclear activities.

Kim warned that the international community "will inevitably have to come up with appropriate countermeasures."

But when asked what the countermeasures will be, Kim said it is not "desirable" to discuss what actions will be taken.

"...Let me say that the talks will resume in a few days," answered Clinton, referring to second round of U.S.-North Korea high-level talks opening in Geneva from July 14.

Last round of high-level negotiations between the two countries, without any diplomatic relations, succeeded in holding North Korea to the Nuclear Nonproliferation Treaty (NPT) in exchange for a set of political promises by Washington.

"I think it is obvious that the most important carrot out there is the one that President Kim articulated...reunification with various confidence-building measures and other steps along the way," said the U.S. leader.

"The economic success of South Korea and the prospect that North Korea might one day have a cultural unity again and an economic success must be the greatest carrot of all," Clinton said when asked what the incentives will be for North Korea.

He recalled China's role in international efforts to discourage Pyongyang from withdrawing from the npt.

"And, so, we...agreed today that we would continue to inform the Chinese of what we were doing and we will certainly ask for their support in our efforts," he said.

Although shadowed by the nuclear issue, economic relations were addressed by the two presidents.

"Between any two nations that have as many trade relations as the United States and the Republic of Korea there will always be issues outstanding that need to be discussed," said Clinton.

Successful conclusion of Uruguay Round may resolve some of the pending issues, he told the press conference, "but still there will be other issues in terms of the practical openness of our markets, what we can do to encourage more investment, how we enforce the laws that we all agree should be on the books," he said.

The two leaders hinted they may meet again within this year.

"...The president has accepted my invitation to visit the United States this year, so we will have another chance to work on these issues personally," said Clinton.

## Clinton Addresses National Assembly

*SK1007114793 Seoul YONHAP in English 1136 GMT 10 Jul 93*

[Text] Seoul, July 10 (YONHAP)—U.S. President Bill Clinton, urging the Asia-Pacific community to answer to new post-cold war security needs, enumerated Saturday four priorities including regional dialogue and nonproliferation of weapons of mass destruction.

"First, a continued American military commitment to this region. Second, stronger efforts to combat the proliferation of weapons of mass destruction," said Clinton in a speech before South Korean National Assembly.

"Third, new regional dialogues on the full range of our common security challenges. And, last, support for democracy and more open societies throughout this region," said Clinton.

In a message emphasizing both continuity and change in the United States role on the Korean peninsula and more largely in the Asia-Pacific, Clinton promised upkeep of security commitment to South Korea stretching back to the 1950s but new fora for the discussion of Asian security issues.

"Above all, the United States intends to remain actively engaged in this region. America is, after all, a Pacific nation," said Clinton as his wife Hillary watched on with some 200 South Korean lawmakers.

The end of cold war removed dominant unitary threat in Asia and Europe and raised needs to build a new security institution in Asia, Clinton said.

"The challenge for the Asian Pacific in this decade, instead, is to develop multiple new arrangements to meet multiple threats and opportunities," he said.

This new arrangements may involve groups of nations, involve peacekeeping under UN efforts, or pursue confidence-building measures, said Clinton.

"To some in America there is a fear that America's global leadership is an outdated luxury we can no longer afford. Well, they are wrong," the U.S. President pegged down.

Calling America's continued military presence the "bedrock" of its security role in the Asia-Pacific, he said that "today, we...affirm our five bilateral security agreements with Korea, with Japan, with Australia, with the Philippines and with Thailand."

Addressing another priority for the New Pacific Community—combatting spread of weapons of mass destruction—Clinton called North Korea's nuclear threat "too real," a "nightmare of nuclear annihilation."

Nearly 160 nations have joined to resist the nuclear threat through the Nuclear Nonproliferation Treaty, but "now, for the first time since that treaty was open for signatures, one of its members has threatened to withdraw," noted Clinton, referring to North Korea.

"Our goal is not to enlist discussions, but certifiable compliance. North Korea must understand our intentions," he said, outlining Washington's position at upcoming North Korea-U.S. high-level talks next week in Geneva.

He called for a critical role by South Korea, chiefly through implementation of inter-Korean agreement for nuclear-free Korean peninsula. The agreement "not only banishes nuclear weapons from the peninsula, it also bans the production of nuclear materials that could be used to make those weapons," said Clinton.

Calling for a new regional security dialogues, he specifically noted this month's post-ministerial conference by the Association of Southeast Asian Nations (ASEAN).

"Korea can play a vital role in the region's new arrangements, for it stands at the center of Northeast Asia, within two hours by air from Singapore, Tokyo, Beijing, and Vladivostok," he pointed out.

He singled out China as one of the nations that need to be integrated into these efforts.

"We believe China cannot be a full partner in the world community until it respects human rights and international agreements on trade and weapon sales," he said. "But we also are prepared to involve China in building this region's new security and economic architectures."

## Kim Yong-sam Hosts Dinner for Clinton

*SK1007115793 Seoul YONHAP in English 1150 GMT 10 Jul 93*

[Text] Seoul, July 10 (YONHAP)—President Kim Yong-sam urged North Korea "to take forthwith the necessary steps to completely remove suspicions over its nuclear program" and warned that "the international community will never condone its anachronistic and irresponsible behavior." In a speech at the dinner he hosted for U.S. President and Mrs. Bill Clinton in Chongwadae Saturday, Kim said he was concerned about the suspicions over North Korea's nuclear program as they "cast an ominous shadow not only on the Korean peninsula but also all over the world." Kim expressed his belief that "the concerted actions between our two governments will continue to be the core of broad-based efforts to resolve the North Korean nuclear issue."

Kim noted that the 40th anniversary of the signing of the Korea- U.S. Mutual Defense Treaty "which has been a model of effective security alliance." Kim declared that he believed maintaining and further developing the Korea-U.S. alliance, which has grown into maturity, "is not only in the interest of both countries, but it is equally important for securing the stability and prosperity in Northeast Asia and the world."

Showing keen interest in Clinton's New Pacific Community proposal in Tokyo, Kim said "our two countries should work together to broaden and upgrade our partnership for the sake of our mutual benefits and continued prosperity in this region."

Kim thanked President Clinton for his decision to have the U.S. Government participate in the Taejon Expo next month.

### YONHAP Cites Clinton's Dinner Speech

*SK1007120593 Seoul YONHAP in English 1156 GMT 10 Jul 93*

[Text] Seoul, July 10 (YONHAP)—President Clinton's dinner speech prepared for delivery at Chongwadae [presidential residence] on Saturday was full of praise for his host, President Kim Yong-sam, and the Korean people.

In this praise, he not only quoted President Franklin Delano Roosevelt but also showed his knowledge of Korean history and modern Korean poetry.

Calling Korea "a model today for other nations seeking to join the ranks of the developed world," Clinton said Korea's "rising prosperity is now complemented by a second 'miracle on the han'—the flowering of democracy," apparently referring to the civilian government that Kim put back in place after 32 years.

Clinton recalled King Sejong's invention of "the first phonetic alphabet in Asia and one of the most scientifically devised in the world" out of his "great concern for ordinary people who could not read and write with complicated Chinese characters... (President Kim's) historic leadership on behalf of democracy embodies that same impulse to empower your people."

He then quoted President Roosevelt as saying, "democracy alone, of all forms of government, enlists the full force of men's enlightened will... It is the most humane, the most advanced and in the end the most unconquerable of all forms of human society. The democratic aspiration is no more recent phase of human history, it is human history."

He praised Kim Yong-sam, saying "that wisdom was part of the greatness of President Franklin Delano Roosevelt. And that wisdom characterizes the leadership of President Kim Yong-sam."

Noting that the persevering character of the Korean people, Clinton recited So Chung-chu's poem about the chrysanthemum, of course in English translation, "the chrysanthemum endures thunder, lightning and storming rain all night long. And yet, in the morning it blooms triumphantly."

Then he went on: "The Korean people have indeed bloomed triumphantly, and I salute them."

### Editorial on Clinton's Asia-Pacific Policy

*SK1007135093 Seoul MAEIL KYONGJE SINMUN in Korean 10 Jul 93 p 3*

[Text] U.S. President Bill Clinton's one-night and two-day visit to the ROK starts today. What is his attitude toward meeting with ROK President Kim Yong-sam? Will he stress the importance of the politics and security of the ROK or will he stress economic issues?

When he was in Japan, President Bill Clinton frightened the Japanese people as well as people throughout the world. This is because he commented in detail on trade issue with Japan as well as Japanese macroeconomic policy [kosi kyongje chongchaek]. Furthermore, he even announced U.S. macroeconomic policy [kosi kyongje] goals.

It is needless to say that the increasing U.S. trade deficit with Japan has brought about such a result-oriented policy toward Japan.

President Clinton is not expected to deal only with U.S.-ROK trade issues because the ROK has maintained balanced trade with the United States.

At the Seoul summit talks, the presidents of the two countries are expected to comprehensively discuss the economic issues, such as the revitalization of the Asia Pacific Economic Cooperation, the cooperation between the two countries to achieve the Uruguay Round negotiations—discussed at the G-7 summit talks in Tokyo—within this year, and the holding of the economic cooperation conference following the conference for improvement of the business environment [yongop hwangyong kaeson hoeui].

The United States regards Korean politics and security as important. Therefore, the United States is likely to place more emphasis on Korean politics and security than on economic issues. President Clinton will likely discuss political issues with President Kim Yong-sam when he stays in Seoul.

When he was in Japan, President Clinton put forward the "New Pacific Community." It has been learned, however, that he will put forward the "Asia Pacific Security System" when he stays in Seoul. The Asia Pacific Security System is closely related to the abovementioned "New Pacific Community."

It seems that what the United States wants is to take the initiative [chudokwon] in the Asia-Pacific region. Everyone knows the Asia-Pacific region's economic development potential. Therefore, the United States seems to calculate that it needs to participate in Asia-Pacific regional economic development before either Japan or China strengthen their influence.

We can see that a new regional order is being established. What we can profit from it will be determined by our present attitude toward these trends.

President Clinton's upcoming announcement of a U.S. plan in Seoul is very significant and symbolic. It is not too much to say that President Clinton will confirm the importance of the ROK in the Asia-Pacific region. Availing ourselves of this opportunity, we must demand what we want. It is our hope that the ROK will play a key role in creating a new regional order. Now we have the opportunity to realize it. We therefore need to animate our role in creating the order, while the government must make positive efforts for its realization.

## Editorial Notes Visit's 'Significance'

*SK1107020293 Seoul THE KOREA HERALD in English 11 Jul 93 p 6*

[Editorial: "Kim-Clinton Summit"]

[Text] U.S. President Bill Clinton's visit to Seoul surely reaffirms the security ties and maturing economic partnership between the two traditional allies. The relative brevity of his stay here hardly diminishes the timeliness and significance of his being in Korea.

In a summit meeting at Chongwadae, the visiting American President and President Kim Yong-sam committed themselves to maintaining and strengthening the bilateral security arrangement and to stepping up mutual efforts to maintain the currently amicable economic and trade relations.

The special interest Clinton showed in the Pacific region and particularly Northeast Asia during the summit as well as in his speech to the National Assembly is indeed reassuring. Clinton made it very clear that peace on the Korean peninsula is a major factor in the security picture of Asia and the Pacific, and that the stability of South Korea reinforced by its strong alliance with the United States is its linchpin.

Kim and Clinton fully agreed that North Korea must immediately retract its withdrawal from the Nuclear Nonproliferation Treaty (NPT) and comply with its obligations under international law. They also agreed that North Korea must honor the joint Seoul-Pyongyang declaration on denuclearization of the Korean peninsula which provides for an inter-Korea inspection of all suspected nuclear facilities on both sides of the Demilitarized Zone.

Clinton expressed his support for inter-Korea dialogue and reconciliation conducive to the reduction of tension on the Korean peninsula and the eventual reunification of the Korean people.

We understand that Clinton presented the challenge for Korea to continue to adopt more liberal policies for its domestic market opening. We take notice of the progress that has been made in this area of international trade and of the need to do more. It, however, takes time, patience and continued consultations to hammer out equitable and practical solutions.

There are a mountain of other significant and sensitive areas for both Korea and the United States to be concerned about. Minor and casual fissures should not be allowed to widen and undermine the basically solid and enduring relationship of amity and cooperation, not only for their mutual betterment but also for their common contribution to stability in the reshaping of order in this part of the world.

Extending our hearty welcome to the visiting President of the United States, we hope he has firmly grasped the real and precise picture of our country so that the traditional ties of alliance will be further strengthened on the basis of better understanding and closer harmony.

## Christopher Meets Han Sung-chu 11 Jul

*SK1107034093 Seoul YONHAP in English 0325 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—U.S. Secretary of State Warren Christopher on Sunday reissued warning of U.N. sanctions when North Korea refuses to progress nuclear talks with Washington and named inter-Korean dialogue as a requirement to better Pyongyang-Washington relations. South Korea and the United States, in a meeting of foreign ministers here, agreed to start talks on Northeast Asian multilateral security dialogue that would be a smaller but separate arrangement from the existing Association of Southeast Asian Nations (ASEAN).

Christopher visited his South Korean counterpart Han Sung-chu at his residence Sunday morning in a follow-up to Seoul-Washington summit a day earlier between Presidents Kim Yong-sam and Bill Clinton. Seoul officials said North Korea's nuclear issue and regional security cooperation were centerpieces to the 50-minute talks. The focus was on upcoming second round of high-level Pyongyang-Washington negotiations opening in Geneva from July 14 where the United States reiterated it will keep the dialogue channel open as long as it saw progress.

But Christopher made it unequivocal that the United States will never allow the talks to drag on without any meaningful progress, Chang Chae-yong, director-general of American Affairs Bureau at the Foreign Ministry, said in the post-meeting briefing.

"Christopher also made clear that the issue will be passed on to the U.N. Security Council when the talks fall into stalemate, and that the Council will inevitably seek sanctions," said Chang.

The prospects of North Korea-U.S. relations improvement came up at the meeting, and Christopher reassured Seoul that better inter-Korean ties will be an important prerequisite, Chang said.

"The United States has other conditions it already enumerated to bettering relations with North Korea, such as human rights improvement, renouncement of terrorism and proliferation of weapons of mass destruction," he told reporters.

"Inter-Korean dialogue is among these conditions," said Chang.

Bilateral security matters were discussed at Saturday's summit to the point of leaving no side issues untouched, he said, leaving the foreign ministers to address regional security.

The two countries agreed they need to complement the security dialogue forum at the ASEAN post-ministerial conference with a separate grouping of Northeast Asian countries. No specific members were mentioned, and the two countries will soon begin talks on the specifics, Chang said.

U.S. President Bill Clinton proposed "a new Pacific community" and declared his country no longer opposes security dialogue in this region.

Other issues covered at the talks were Seoul's pledge to make bigger contributions to international efforts, Chang said. Foreign Minister Han specifically mentioned South Korea's participation in the peacekeeping operations in Somalia and vowed to take on a new diplomacy with globalized perspective, he said.

## Clinton Talks to U.S. Businessmen

*SK1107034393 Seoul YONHAP in English 0331 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—U.S. President Bill Clinton said Sunday his trip to Asia was "quite a success" since the Group of Seven [G-7] advanced nations has produced an agreement which would have a huge market opening impact on manufactured goods throughout the world. Speaking to members of the American Chamber of Commerce in South Korea, Clinton said the agreement reached in Tokyo by the G-7 members would be the biggest reduction in tariffs in seven years if it is incorporated into the final General Agreement on the Tariffs and Trade (GATT).

Clinton arrived here Saturday for a two-day visit after attending the G-7 summit in Tokyo.

Clinton said he also believes that the G-7 agreement will give some real impetus on the Uruguay Round of global trade negotaitions that is scheduled to be held in Geneva later in the year.

The U.S. President also briefed American businessmen on the G-7 adoption of a 3 billion U.S. dollar, 18-month grant and loan assistant package to Russia and a U.S.-Japan agreement on a framework for changing bilateral trade relations.

## Kim, Clinton Jog, Hold Private Meeting

*SK1107043093 Seoul KBS-1 Radio Network in Korean 0300 GMT 11 Jul 93*

[Text] President Kim Yong-sam and President Clinton, who is now in the second day of his visit to the ROK, jogged together in the Nokchiwon at Chongwadae, the official presidential residence, this morning. Afterward, the two presidents met over breakfast and discussed ways to promote even more friendship and cooperation between the ROK and the United States.

The leaders of the two countries met at the Nokchiwon around 0800 local time this morning [2300 GMT on 10 July], happily exchanged greetings, and jogged after warming up. President Kim and President Clinton jogged side by side with an interpreter and a security guard for each of them, thus promoting friendship between them.

After jogging, the two leaders swapped caps, celebrating the first jogging summit diplomacy. President Kim wore a white jogging suit with blue stripes and a white cap, and President Clinton wore black pants and a red shirt with white and black stripes. Then the leaders of the two countries showered and had breakfast at Chongwadae with only their interpreters with them. The two leaders dressed casually and discussed ways to strengthen the bonds between the ROK and the United States, thus consolidating friendship between them.

## Stress Security Issues

*SK1107041593 Seoul THE KOREA HERALD in English 11 Jul 93 p 2*

["News analysis" by staff reporter Kim Hye-won]

[Text] The leaders of South Korea and the United States, as had been expected, put the most stress on reaffirmation of strong security ties between their two countries during talks at Chongwadae yesterday.

This is noteworthy in view of the fact that both of the two Presidents had promised to place their top priority on economic revival when they were inaugurated in January and February this year, respectively.

President Bill Clinton only briefly mentioned economic matters while reading a statement at a news conference after his summit with President Kim Yong-sam.

Shared concern about the North Korean nuclear program was certainly the single most important element in the decision by the two Presidents to emphasize security issues at this time.

Both Kim and Clinton devoted much of their separate press statements to the North Korean nuclear matter, reaffirming their continued cooperation in their so-called "carrot-and-stick" policy toward the Communist country.

The fact that Clinton is accompanied by his three top officials in charge of security matters—Secretary of State Warren Christopher, Secretary of Defense Les Aspin and Anthony Lake, presidential assistant for national security affairs—also bespeaks how much importance the U.S. President is placing on Pyongyang's nuclear problem.

These three officials will have separate talks with their Korean counterparts today to discuss in more detail the agreements between their leaders.

The firm determination Kim and Clinton demonstrated in Seoul will definitely serve as a strong warning to North Korea.

The United States plans to open a second round of high-level talks with North Korea in Geneva Wednesday. The Communist country requested the delay of the second round of high-level talks with the United States until after Clinton's Seoul visit.

By visiting the South and promising to maintain the American military presence here at this time, the U.S. President has sent a strong message that he will not allow Pyongyang to proceed with its nuclear program.

The Kim-Clinton talks also bear symbolic significance as the first between the new leaders of the two countries.

Seoul officials claim that Clinton's choice of Korea as the destination of his second overseas trip indicates the degree of weight he places on relations with Seoul.

Clinton has been abroad only once before, to meet Russian President Boris Yeltsin in Vancouver, Canada, early this year.

Close and friendly relations between Clinton and Kim are all the more important now. Drastic changes in balance of power in East Asia are predicted by many in the aftermath of the Cold War.

South Korean cooperation is essential in the realization of Clinton's Tokyo proposal for the formation of an Asia-Pacific community.

Seoul, for its part, needs to maintain closer relations with Washington for its own reason.

Many scholars and political analysts predict that any changes in the balance of power in East Asia will be related, in one way or another, to the fate of North Korea.

Some optimists forecast that the two Koreas could be reunited within this century, claiming that the coming five years will be crucial for Korean unification.

Clinton will lead the United States until 1997.

On trade and economic issues, the two Presidents reaffirmed their joint efforts for a successful completion of the Uruguay Round multilateral trade negotiations. Although they did not deal in depth with bilateral issues, the leaders did propose the inauguration of a Korea-U.S. dialogue for economic cooperation (DEC) to address economic deregulation in the two countries.

That less weight was given to bilateral trade issues at the Kim-Clinton summit was, of course, possible partly because of the remarkable improvement in the balance of trade between the two countries.

Clinton, during the news conference at Chongwadae, admitted that Washington may have a "small" trade surplus this year after deficits for the several past years.

But there are also impressions that Clinton intentionally avoided mentioning trade issues this time so as not to overshadow the North Korean nuclear problem and not to provoke any unnecessary anti-American sentiments among the South Koreans.

## U.S. To Postpone Troop Withdrawal

*SK1107051293 Seoul THE KOREA HERALD in English 11 Jul 93 p 1*

[Text] President Kim Yong-sam and U.S. President Bill Clinton yesterday agreed to delay U.S. troops withdrawals from South Korea until North Korea scraps its nuclear weapons development program.

The two leaders also agreed to continue close cooperation in dealing with the North Korean nuclear issue.

Clinton, in Korea for a two-day working visit, reaffirmed U.S. commitment to South Korea's security.

During a meeting that lasted for one hour and 20 minutes, the two Presidents urged North Korea to return to the Nuclear Nonproliferation Treaty (NPT) and submit to special inspections of two suspected nuclear facilities by the International Atomic Energy Agency (IAEA).

In a press statement issued after the talks, Clinton said, "We agreed to consult closely on our joint efforts to achieve a full resolution of this issue, and we are resolute to take additional steps if they are required."

The U.S. President said he believed that China could play a "constructive" role in persuading Pyongyang to abandon its nuclear ambition.

President Kim said he and Clinton shared the view that Pyongyang's nuclear program poses a "serious threat not only to peace on the Korean Peninsula but also to the security of Northeast Asia and the world as a whole."

If North Korea persists in its refusal to return to the NPT and accept special IAEA inspections of its facilities, the international community will inevitably have to come up with appropriate countermeasures to deal with the issue, Kim said.

Kim said they reaffirmed that any further reduction of the number of U.S. troops in South Korea would be made only after "the uncertainties surrounding the North Korean nuclear question have been thoroughly addressed."

The two Presidents spoke at a joint news conference after the summit meeting. Clinton flew to Seoul from Tokyo, where he had attended the Group of Seven summit of the world's top industrial countries.

Kim emphasized that the North Korean nuclear question should be resolved as soon as possible, according to Chong Chong-uk, his secretary for foreign affairs and national security.

Kim complained in a recent interview with the British Broadcasting Corporation that Pyongyang was using "delaying tactics" to buy time to finish its nuclear project.

After negotiations with the United States, North Korea agreed last month to suspend its withdrawal from the NPT, but it still has not accepted international inspections of its nuclear facilities. More talks between Washington and Pyongyang are to begin in Geneva July 14.

On economic issues, the American President said bilateral trade is in a generally balanced condition.

The two leaders agreed on the need to develop a future-oriented economic partnership between the two countries and to this end, decided to launch the "Dialogue for Economic Cooperation."

Within the framework of the dialogue, the two nations will discuss ways to enhance bilateral economic cooperation and address economic deregulation as it affects economic relations between the two countries, Kim said.

On the Uruguay Round of multilateral trade talks, the two Presidents reconfirmed their position that they should closely cooperate for a successful settlement of the talks within this year.

Clinton expressed his support for South Korea's bid for membership in the Organization for Economic Cooperation and Development (OECD).

Kim supported Clinton's proposal for holding a conference of Asia-Pacific leaders, along with a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC), which is slated for Nov. 17-19 in Seattle in the United States.

During the news conference, Clinton expressed his appreciation for President Kim's "lifetime devotion to the cause of democracy" and his admiration for Kim's anticorruption campaign which, he said, could serve as an example to other nations.

Clinton said Kim accepted his invitation to visit the United States later this year.

U.S. First Lady Hillary Clinton, in the meantime, met First Lady Son Myong-sun while their husbands held summit talks at the presidential office.

In a speech at a state dinner for U.S. President Clinton and his wife at Chongwadae yesterday evening, Kim said he was concerned about the suspicions over North Korea's nuclear program as they "cast an ominous shadow not only on the Korean peninsula but also all over the world."

Kim expressed his belief that "the concerted actions between our two governments will continue to be the core of broad-based efforts to resolve the North Korean nuclear issue."

### 'Emergency' Hotline To Be Set Up

*SK1107055893 Seoul YONHAP in English 0538 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—South Korean President Kim Yong-sam and U.S. President Bill Clinton reaffirmed Sunday the existing traditional security cooperative ties between their two countries and resolved to cement friendship. In a meeting at Chongwadae (Blue House) held in the morning, Kim and Clinton agreed to set up an emergency telephone link.

Kim said it would be desirable for the White House and the Blue House to set up a round-the-clock telephone link so that presidents of the two countries can contact each other for close consultation in an emergency and promotion of mutual friendship. Kim's suggestion met an immediate affirmative response from Clinton. Clinton told his host he would gladly receive a call fom Kim any time.

Kim recalled that he had undergone a variety of trials and tribulations before he became president. But Kim said he would not resort to political vendetta.

"As I have promised to the people during the campaign, I will let history judge the matters of the past," Kim said.

In reply, Clinton said he believed Kim's strong will would help lead the reforms pushed by the Korean Government in a positive direction and make a great stride.

### 'New Dialogue' Agreed

*SK1107061593 Seoul YONHAP in English 0602 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—Presidents Kim Yong-sam of South Korea and Bill Clinton of the United States agreed Sunday on the need to strengthen further the foundation for their countries' economic partnership.

The two presidents instructed their respective delegates to the Korea-U.S. consultation to conduct a bold new dialogue for economic cooperation, an announcement said. Through the dialogue, it said the two countries will seek to improve the business climate and strengthen the foundation for economic cooperation. It said the dialogue would also seek to develop recommendations on economic deregulations as it affects Korea-U.S. economic relations and explore means to enhance economic cooperation.

To conduct this dialogue, it said, an umbrella group, chaired at the level of the assistant minister of the South Korean Foreign Ministry and assistant U.S. secretary of state and consisting of agencies on each side with an interest in or whose work affects the economic environment, will be estalished. The group will review and seek to develop agreed recommendations on economic deregulation as it affects bilateral economic relations and other means to enhance U.S.-Korea economic cooperation, it said. Counterpart groups will be established to address specific issues, if necessary, the announcement said.

The both sides will closely coordinate with their business communities, it added.

The umbrella group would begin work in August 1993 and submit a final report in one year to the Korea-U.S. economic consultation, it said.

## Aspin Reaffirms U.S. Commitment to Defense

*SK1107063993 Seoul YONHAP in English 0629 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—U.S. Defense Secretary Les Aspin said Sunday the Pentagon was developing a "win-win strategy," in which the United States would fight two wars and win simultaneously.

Aspin also said the United States puts "very high priority" to the defense of South Korea. The United States plans to secure reliable military strength and support ability to crush North Korean forces if another war breaks out in Korea, Aspin said.

Aspin, visiting here accompanying President Bill Clinton, reiterated the U.S. commitment to defend South Korea at a meeting with South Korean Defense Minister Kwon Yong-hae at Seoul's Hotel Shilla Sunday morning.

In the luncheon meeting, also participated in by Gen. Gary Luck, commander of the U.S. Forces Korea, and Gen. Yi Yang-ho, chairman of the Korean Joint Chiefs of Staff, the defense chiefs of the two countries agreed to continue having close discussions on bilateral security and defense issues in the future.

The meeting was held at the suggestion of Aspin who had expressed the necessity of further discussions between the defense chiefs of the two countries when Kwon visited Washington in last month.

## 'New Partnership' With U.S. Examined

*SK1107064893 Seoul YONHAP in English 0529 GMT 11 Jul 93*

["News analysis" by Yi Tong-min]

[Text] Seoul, July 11 (YONHAP)—South Korea and the United States bonded a new partnership based on something new and something old during President Bill Clinton's Seoul visit.

Clinton's theme here was one of continuity—America's continued security commitment to Korea stretching back to 1950s—and change—his vision of a new Pacific community and the role of the United States and South Korea in it.

Clinton and President Kim Yong-sam voiced a unified conclusion after their 100-minute summit.

"President Clinton renewed firm commitment of the United States to the defense and security of the Republic of Korea," said Kim in his post-summit press statement.

"...I reassured President Kim of my commitment to ensure that the United States continues to play its historic role...I did reaffirm my strong intention to have no further reduction in our military presence in this region..." said Clinton in his press statement.

The U.S. leader carried this theme to his speech before South Korea's National Assembly.

"The bedrock of America's security role in the Asian Pacific must be a continued military presence. In a period of change, we need to preserve what has been reliable," said Clinton.

Washington's pledge for this continuity was timely, coming when suspicion against North Korea's nuclear development is in escalation. Both leaders said further reduction of U.S. Forces in South Korea remains frozen until after all uncertainties surrounding Pyongyang's nuclear program has been thoroughly examined.

But there was as strong a message for change.

Clinton unfolded what he called "a new Pacific community" where the United States and South Korea claim significant roles. He called for a security institution in the Asia-Pacific in multiple arrangements comparable to "overlapping plates of armor" providing individual protection and "together covering the full body of our common security concerns."

In a clear change from past U.S. position regarding regional security dialogue in this region, Clinton pronounced his administration is no longer reluctant to enter into security dialogue in Asia.

Some in the United States "fear it would seem a pretext for American withdrawal from the area. But I see this as a way to supplement our alliance and forward military presence, not to supplant them," said Clinton at the National Assembly.

He encouraged South Korea to claim a vital role in this new arrangements, "for it stands at the center of Northeast Asia, within two hours by air from Singapore, Tokyo, Beijing and Vladivostok."

"This is a start to defining a 'new partnership' between South Korea and the United States," said a Foreign Ministry official in evaluating the summit.

"It's new because the two countries no longer are limited to discussing and coordinating bilateral issues. Seoul wants to expand the relationship to regional issues, and Clinton has recognized our such endeavors," the official said.

Discussion of not just bilateral but multilateral security matters was one such sign. A separate foreign ministers meeting Sunday was devoted to this regional angle, something different from past bilateral talks.

The two countries redefined the meaning of "security alliance," officials here say, to cover not just the military aspect but political and economic sides.

Clinton says economic discussions, for example, can generate more jobs across the region, ease political tension and thus enhance regional security.

"We had the chance to talk about the redefined security alliance, another positive outcome of the summit," said another Foreign Ministry official.

And there was the nuclear issue. Although it was very much a repetition of past affirmations, Clinton and Secretary of State Warren Christopher said beyond doubt that North Korea must accept international nuclear inspection or face U.N. sanctions.

Christopher, meeting with his South Korean counterpart Han Sung-chu separately Sunday morning, vowed the United States will not be dragged into prolonged talks without signs of substantive progress. His message was firm, that the U.N. Security Council will inevitably resort to sanctions otherwise.

## Clinton Sends 'Strong Message' to DPRK

*SK1107084793 Seoul YONHAP in English 0839 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—U.S. President Bill Clinton sent a strong message to North Korea Sunday afternoon that the communist country might face "the end of their country" if it develops and uses nuclear weapons. Clinton, on the last leg of his two-day visit to South Korea, gave the warning while looking around the "Bridge of No Return" in the perimeter of the Joint Security Area of the border village of Panmunjom that separates the two Koreas.

Clinton, pointing out that North Korea wasn't stopping its nuclear development scheme though it wasn't of use, stressed that the region might be faced with continued tensions as long as the communist country didn't return to the Nuclear Nonproliferation Treaty (NPT). The President also expressed hopes that his visit to Korea could help resolve pending regional issues, including territorial unification of Korea and the North's failure to return to the treaty, in a smooth way.

Clinton had originally been scheduled to go to the frontline area by helicopter but switched to a motorcade due to the driving rain pounding the Seoul area.

## YONHAP Reports Clinton's Departure

*SK1107105493 Seoul YONHAP in English 1043 GMT 11 Jul 93*

[Text] Seoul, July 11 (YONHAP)—U.S. President Bill Clinton left for Hawaii Sunday afternoon winding up a two-day visit to South Korea. Clinton left a Seoul airport after flying by helicopter directly from the Demilitarized Zone which protects the world's last cold war frontier. He visted there and encouraged U.S. troops.

While in Seoul, Clinton had talks with his Korean counterpart Kim Yong-sam and pledged Washington would "stay strong" in resisting the threat of North Korea. Clinton sent a strong warning to North Korea against its bid to go ahead with the controversial nuclear development program, saying, "it would be end of their country," if Pyongyang develops and uses nuclear weapons.

The two presidents also shared a common recognition to further develop their exsisting alliance, friendship and cooperation, including in economic terms.

## 11 Jul Editorials

*SK1107082093*

[Editorial Report] Vernacular dailies on 11 July carry editorials and articles on the significance of the ROK-U.S. summit held in Seoul on 10 July.

Seoul KYONGHYANG SINMUN, an independent vernacular daily, on 11 July carries a 900-word editorial on page 3 entitled "The Significance of the Policy Attaching Importance to the Korean Peninsula." The editorial notes: "The ROK and the United States reaffirmed their invariable security cooperation through the meeting of their top leaders. It is most impressive that the new U.S. Administration strongly reconfirmed its security commitment to the ROK despite the end of the cold-war structure. It is also a significant U.S. policy of ensuring the security of the Korean peninsula that the leaders of the two countries have agreed to jointly cope with the North's nuclear issue, upon which the world's interest is focused, and to withhold the second phase of the withdrawal of the U.S. troops from the ROK as long as the North's present threat exists."

The editorial points out that military uncertainty still exists in Northeast Asia, due to the arms race by such countries as China, despite the end of the U.S.-Soviet cold war and welcomes President Clinton's "New Pacific Community" proposal. The editorial then warns against the concept of the so-called "two-stage military strategy," despite President Clinton's reassurances to the contrary, by which if, for instance, war breaks out in the Middle East and the ROK at the same time, the United States will move U.S. troops to the Middle East and then send them back to the Korean front after winning the war in the Middle East.

Seoul HANGUK ILBO, an independent vernacular daily, on 11 July carries a 900-word editorial on page 3 entitled "The Changing and Deepening ROK-U.S. Alliance." The editorial notes, "The meeting of the presidents of the two countries was one that reconfirmed 'tradition' and looked to a change in the future." The editorial then comments on the significance of the U.S. security commitment to the ROK and joint efforts to resolve the North Korean nuclear issue. The editorial then discusses the significance of "the ROK-U.S. Dialogue for Economic Cooperation" proposed by President Clinton and adds, "The proposal reflects that the economic relations between the two countries have grown to such an extent that it requires the development of a dialogue channel." The editorial then adds, "The dialogue channel, however, could be used by the United States as a permanent body to pressure the ROK to open markets." The editorial then notes President Clinton's proposal for a regional cooperation body to break the bounds of the bilateral alliance between the two countries and notes, "This should not be downgraded, for this demands a new outlook from us who have been accustomed to the bilateral alliance only."

Seoul SEOUL SINMUN, a progovernment vernacular daily, on 11 July carries a 900-word editorial on page 3 entitled "The Asia-Pacific Era Led by Kim Yong-sam and Clinton." The editorial notes, "The summit talks consolidated the new ROK-U.S. friendship, cooperation, and security relations suitable for the Asia-Pacific era looking to the 21st century. President Clinton's address to the National Assembly which stressed the need for "the New Pacific Community" sets forth the direction of the U.S. policy attaching importance to Asia." The editorial adds, "The result of the summit talks enables us to look forward to smooth development and the strengthening of the relations between the ROK and the United States." The editorial then continues, "The long-term common interest of the leaders of the two countries was to lead the Asia-Pacific era of the 21st century and the coordination between the two countries to cope with the immediate pending issue of North Korea's nuclear weapons development." The editorial goes on to say, "That the ROK and the United States develop mutually complementary partnership relations and lead the Asia-Pacific era is certain to contribute greatly to the prosperity and development of not only the two countries, but also to other countries of the Asia-Pacific region and the world."

The editorial then notes the significance of the strong U.S. security commitment to the ROK reaffirmed by President Clinton during the summit and the significance of President Clinton's interest in the human rights issue, as well as in the North Korean nuclear issue, and says, "Improving North Korea's human rights situation and its democratic reform should be as important a matter of concern to both the ROK and the United States as the nuclear issue."

Seoul TONG-A ILBO, an independent vernacular daily, on 11 July carries a 900-word article by reporter Song Yong-on on page 3 entitled "Comprehensive Partnership for Security and Economy Established." The article notes, "The summit, held for the first time since the inauguration of the governments of the ROK and the United States, is significant in that it further strengthens the cooperative relations between the governments of the two countries in the middle part of the 1990s." The article then notes the strong warning the summit sends to Pyongyang in connection with the North Korean nuclear issue. Touching on the significance of the ROK-U.S. Dialogue for Economic Cooperation, the article notes, "According to some observers, this dialogue channel could be used by the United States more for emphasizing its position to the ROK than for concentrating on economic cooperation."

Seoul CHUNGANG ILBO, an independent vernacular daily, on 11 July carries a 1,800-word article by reporter Pak Ui-chun on page 3 entitled "The Two Leaders Agree on and Reaffirm How To Resolve the North's Nuclear Issue." The article says, "The ROK-U.S. summit at Chongwadae on 10 July made a firm commitment to the "lasting and comprehensive partnership relations between the two countries" not only in the political and security areas, but in all other fields such as economic, trade, academic, and cultural fields. President Kim Yong-sam and President Clinton agreed to further strengthen multilateral cooperation in conformity with the post cold war era, sharing the outlook for broader ROK-U.S. relations."

### Hotline Symbol of 'Close Relations'

*SK1207002693 Seoul YONHAP in English 0008 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—A top presidential aide says the agreement between Presidents Kim Yong-sam and Bill Clinton to set up a 24-hour telephone link symbolizes the close relations between the two allies.

Chong Chong-uk, senior presidential secretary for foreign and national security affairs, said the agreement reached at a presidential breakfast meeting at Chongwadae [presidential offices] Sunday could be taken as "the hotline" that could be used any time 24 hours a day for emergency consultation. At the Kim-Clinton summit here Saturday, the United States side made it clear it would not make any unilateral agreement with North Korea without consulting South Korea every time Washington holds a meeting with Pyongyang, Chong said.

Chong also said the U.S. proposal for the formation of the Asia and Pacific Collective Security System is different in character with a regional alliance.

Asked if Kim and Clinton had discussed appropriate measures against North Korea if the North Korean nuclear issue was not resolved, Chong said the U.S. President's visit had provided an opportunity for South Korea to reaffirm that the U.S. position with regard to the North Korean nuclear issue is firm. There was deep discussions on this issue at the summit, Chong said. He declined to elaborate.

The problem related to the opening of South Korean market for foreign rice had not come up for discussion at all, Chong said, although the two countries had agreed to do their best to conclude the Uruguay Round of global trade negotiations within this year, Chong said. President Kim would have explained the unique characteristic of the South Korean rice market and indicated to Clinton it would be difficult to open the market, Chong said.

Asked if Kim is expected to visit the United States within this year, Chong said there is a strong possibility the president would attend the Asia and Pacific Economic Cooperation scheduled to meet in Seattle in November. Chong noted, however, Clinton has asked President Kim to visit the United States separately and at a convenient time and Kim had accepted the invitation. He thus indicated that Kim might visit Washington within this year.

### Han Sung-chu: Summit 'Above Expectations'

*SK1207042993 Seoul YONHAP in English 0409 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—Northeast Asian security dialogue would first begin among South Korea, the United States and Japan and later include China and Russia, Foreign Minister Han Sung-chu said Monday.

Elaborating on what he and U.S. Secretary of State Warren Christopher discussed a day earlier about establishing a new dialogue channel, Han said Seoul would seek a two-track-approach—cooperation at both government and civilian level.

"We have already proposed a form of mini-CSCE (Conference on Security and Cooperation in Europe) in Northeast Asia as part of South Korea's new diplomacy policy," said Han in a press conference.

"Its key features are that the forum would table not only military but economic, political and environment issues. The forum would choose an issue-by-issue approach to manage and prevent conflicts," said Han.

He and Christopher had agreed at the Sunday meeting on a Northeast Asian security cooperation that would implement ongoing discussion at a larger framework of the Association of Southeast Asian Nations (ASEAN).

U.S. President Bill Clinton during his two-day Seoul visit had proposed "A New Pacific Community" and named four regional priorities including multilateral security talks. Officials here said Seoul and Washington will soon begin talks on specific membership and format to the Northeast Asian forum.

Han called the weekend South Korea-U.S. summit "above expectations" that highlighted the United States' "firmer than ever" stance on North Korea's nuclear situation and security commitment to South Korea and Asia.

"All the officials who accompanied Clinton to Seoul are his closest aides in security matters," Han said, specifically naming Christopher, Defense Secretary Les Aspin and National Security Advisor Anthony Lake.

"They all had a chance to meet with their South Korean counterparts and get a personal, inside look at Seoul," said the foreign minister.

He said he was reassured that inter-Korean dialogue and relations improvement are prerequisite to better ties between Pyongyang and Washington.

"Whatever Pyongyang may want from Washington, be it diplomatic normalization or anything else, it will realize it has to talk with Seoul in order to get it," Han told reporters.

"The United States will make sure North Korea realizes this," he said.

### Clinton's National Assembly Speech Examined

*SK1207092793 Seoul TONG-A ILBO in Korean 11 Jul 93 p 2*

[Article by reporter Kim Cha-su, "The Meaning of Clinton's Address to the National Assembly]

[Text] In his address to the National Assembly on 10 July, U.S. President Clinton made it clear that the United States will continue to play a role as a key power in the Asia-Pacific region.

The major contents of President Clinton's address to the National Assembly are as follows: Declaration of the will to develop the ROK-U.S. partnership, reaffirmation of the U.S. security commitment to the ROK and support of the reunification of the Korean peninsula, expression of a stern position against North Korea's nuclear issue, the revealing of his vision of the New Pacific Community, and support of regional security and the strengthening of economic cooperation.

Above all, President Clinton highly evaluated the progress in which the ROK has developed democracy with President Kim Yong-sam. He also reaffirmed the U.S. security commitment to the ROK and revealed his intention that the reunification of the Korean peninsula should be achieved as soon as possible by the efforts of North and South Korea. Touching on North Korea's nuclear issue, President Clinton declared his stern position at the summit talks with President Kim and he once again urged that North Korea's nuclear issue be resolved soon.

The four tasks President Clinton put forth for the durable security of the Pacific region are as follows: Maintenance of security agreements with the ROK, Japan, Australia, the Philippines, and Thailand; strong efforts for nonproliferation of nuclear weapons; dialogue among the Pacific countries to cope with a challenge to joint security; and the development of democracy in the Pacific region. In particular, President Clinton proposed that to build a new order in the Northeast Asian region after the end of the cold war, the neighboring countries, including the ROK, vitalize multilateral security dialogue. This is interpreted as a policy not only to dissipate some apprehensions that the U.S. role in the Asian-Pacific region is weakening, but also to declare the U.S. will to play a key role there.

Prior to visiting the ROK, President Clinton put forth a proposal for founding the "New Pacific Community" in his address delivered at Waseda University, Japan. This nonetheless, he also stressed the need for a multilateral security dialogue. It can be said that President Clinton put forth the framework of the U.S. long-term Asian-Pacific policy. Fully taking into consideration President Clinton's addresses, his addresses are analyzed as the U.S. consciousness—the Asian-Pacific region is the most important region for U.S. security and prosperity. Thus, his addresses are interpreted as the expression of the U.S. will to play a role as a power balancer [seryok kyunhyongja] in the Asia-Pacific region, by having the initiative in the Asia-Pacific region not only in the field of economy but in the fields of economy and security through the New Pacific Community and the multilateral security dialogue.

It seems that though the threat by the former Soviet Union, a common enemy, has disappeared since the cold-war structure ended, President Clinton is on the lookout for the abrupt rise of Japan based on its economic power. The instability of the Korean peninsula where the North and the South have constantly confronted each other, the trend in China attempting to reinforce military forces, and the political instability in Russia are the factors that make the United States feel uneasy.

Because he put forth the revitalization of the U.S. economy as the prime policy, President Clinton is forced to cut military expenditures. Therefore, it can be said that the calculation of the United States is to fill the vacuum caused by the realignment of military forces through his plan on the multilateral security dialogue in the Asia-Pacific region and to remove in advance the uneasy factors, including arms races among neighboring countries. However, many people believe that the ROK-U.S. and the U.S.-Japanese mutual defense treaty is constantly valid and that the multilateral security dialogue will be one aimed at supplementing the bilateral ally system. However, because races, cultures, and economic developments are different in the countries in the Asia-Pacific region, it seems difficult to realize a collective security system in the near future.

However, in his address to the National Assembly, President Clinton recognized the importance of the Asia-Pacific region after the end of the cold war and clearly revealed the U.S. consistent policy toward the Korean peninsula. Thus, it can be said that the contents of his address and its symbolic meanings are important.

## 12 Jul Editorials

*SK1207090293*

[Editorial Report] More vernacular dailies carry editorials on 12 July on the significance of the ROK-U.S. summit held in Seoul on 10 July.

Seoul TONG-A ILBO, an independent vernacular daily, on 12 July carries an 800-word editorial on page 3 entitled "ROK-U.S. Relations Take on a New Outlook." The editorial begins, "The ROK-U.S. summit, which was held at a delicate and important time, has left a strong and extensive message. The message made it clear that the ROK-U.S. joint efforts to cope with the North Korean nuclear issue are made with close consultation and that the nature of the joint efforts is firm. The message does not end there. The message contains a broader meaning that the ROK and the United States can work together hand in hand in the Asia-Pacific era. Moreover, the message suggests how the ROK-U.S. relations will develop in dealing with the issues of the Korean peninsula." The editorial notes the significance of President Clinton's mentioning in his address to the National Assembly the U.S. position regarding the issue of reunifying the Korean peninsula, and says, "Stressing that efforts should be made to peacefully reunify the Korean peninsula under conditions acceptable to the Korean people, President Clinton showed confidence no less firm than that of the Korean people." The editorial continues, "The United States, which proposed the New Pacific Community, needs the ROK, and the presence of the United States, an important ally, in this region is all the more important to the ROK in view of the complex situation of East Asia where contention or collaboration for hegemony between China and Japan is anticipated." On ROK-U.S. economic relations, the editorial says, "Efforts should be made to solve problems through agreement in the larger framework of new cooperative relations between the two countries rather than through friction or unilateral pressure. This is the reason why we maintain that it depends more on the United States than the ROK how the ROK-U.S. Dialogue for Economic Cooperation ought to be operated."

Seoul MAEIL KYONGJU SINMUN, an independent vernacular economic daily, on 12 July carries an 800-word editorial on page 3 entitled "The Important Role of the ROK-U.S. Economic Cooperation Body." The editorial notes, "President Clinton reaffirmed the U.S. security commitment to the ROK by confirming that there will be no additional withdrawal of the U.S. troops from the ROK. And the leaders of the two countries agreed to continue joint efforts to persuade North Korea to resolve its suspected nuclear program." The editorial goes on to note the partnership relations in economic cooperation and says, "It is noteworthy that the two countries have agreed to establish a very important dialogue body—the agreement to establish the ROK-U.S. Dialogue for Economic Cooperation [DEC] and to operate a consultative body between relevant organizations." The editorial adds, "The DEC is supposed to promote the economic cooperation through political consultation between the two countries, but we are concerned whether the DEC, in dealing with individual issues, could be used by the United States to urge the ROK to open its market." The editorial adds, "President Clinton strongly hoped that the Uruguay Round will be settled within the end of this year. The atmosphere of the G-7 summit in Tokyo also supported this. President Clinton, aware of the Korean people's opposition to opening the rice market, stressed the Uruguay Round issue. We are concerned that this may imply his strong demand in connection with this issue." The editorial ends by stressing, "The North Korean nuclear issue should be resolved and the DEC operated based on the concept of thorough partnership relations."

## YONHAP Provides Sidelights of Visit

*SK1207025193 Seoul YONHAP in English 0233 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—U.S. President Bill Clinton's brief visit to Seoul over the weekend was of great significance to both himself and President Kim Yong-sam as it has cemented their friendship and the traditional partnership of the two allies.

And President Clinton has left behind as many episodes.

Weather, especially the weather for "the jogging for democracy," by the two presidents on Sunday morning, was one of the biggest concerns for Chongwadae [presidential offices] officials. But weather miraculously cooperated for the jogging. It was cloudy but just fine for jogging.

President Kim got up earlier than usual that morning and said he was afraid that it might rain. But it didn't and he heaved a sigh of relief. "This is just about the best weather for jogging," he said.

Chongwadae people said in unison: "Heaven helped them."

Chongwadae, it was said, was much better than the White House in preparations for Clinton's visit and summit with President Kim, such as security, protocol and others.

For instance, Clinton was a few minutes late for Saturday's Chongwadae dinner and the jogging Sunday morning, and the White House protocol team was blamed for his not being punctual.

At the Chongwadae dinner Saturday evening, moreover, President Clinton made a small mistake of demanding translations of both his and President Kim's speeches, though the two protocol teams had agreed not to translate the speeches, because he was not informed of the agreement in advance.

For this blunder, the Chongwadae protocol team lodged a protest against its White House counterpart, which immediately apologized and even said it would send a formal letter of apology later. But Chongwadae said it was not necessary.

Chongwadae tried to be as much perfect as possible in preparing for Clinton's short visit, and this paid off.

They planted Korea's wild flowers along the jogging course and other areas Clinton was to visit and gave English names of many of these flowers to Clinton's translator so that he may be able to answer when he was asked. Fortunately, Clinton didn't ask for names of those flowers which have no English name.

Obtaining information that Clinton would swim after jogging, Chongwadae played his favorite songs, such as Fleetwood Mac's "Don't Stop Thinking About Tomorrow" and Beatles' "Let It Be" when he swam after jogging with President Kim. Clinton looked very happy when he heard these songs, officials said. In particular, Fleetwood Mac's song was the logo song of his presidential campaign last year, and he must have been moved deeply to hear this song in Seoul as President.

To serve as a translater of President Kim Yong-sam during his jogging with President Clinton, Pak Chin practiced jogging for two months and it paid off. He reduced his weight by four kilograms and he jogged all the way through the jogging path for the two presidents and excellently served as translator for both of them, while Clinton's translator, Kim Tong-hyon, had to give up jogging midway.

## Poll: Visit Aimed To Boost U.S. Economy

*SK1207084693 Seoul YONHAP in English 0743 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—A majority of Korean adults believes the weekend visit by U.S. President Bill Clinton was aimed at boosting the economy of the United States and opposes any U.S. military action against North Korea, according to a survey.

The more educated and younger they were, the more negative attitude they showed toward Clinton's proposal of creating "New Pacific Community."

The World Research Institute, a private research organization, asked 500 men and women, aged 20 and older and living in Seoul, Pusan, Inchon, Taegu, Kwangju, and Taejon Sunday on their thoughts on Clinton's two-day visit to South Korea.

Some 58.4 percent said Clinton's Seoul visit was targeted to revitalize the American economy, while 22.2 percent thought the visit reflected Washington's concern for Korea. About 14 percent viewed that it was aimed at bringing the two leaders together.

Some 53.2 percent opposed the use of military force against North Korea by Washington if North Korea does not stay in the Nuclear Nonproliferation Treaty (NPT).

Asked between which they thought the United States would support first when conflict broke out in Korea and in Europe, 54.6 percent answered "Korea," while 39 percent said "Europe." The choice of Europe over Korea was greater with more highly educated people.

Many thought Korea-U.S. relations would remain the same (38.6 percent) or improve a bit (35.8 percent) in the wake of the new administration in Korea, while 24.2 percent predicted uncomfortable relations due to differences in mutual interest.

On Clinton's vision of New Pacific Community, 49.8 percent believed Korea would benefit from it, while 28.8 percent didn't think much of it.

Meanwhile, the United States continued to be Korea's most favorite country (61.2 percent), followed by China (14.4 percent), and Japan (6.6 percent).

## DPRK Reportedly Moves 40% of Forces to PRC Border

*SK1207084193 Seoul KBS-1 Radio Network in Korean 0808 GMT 12 Jul 93*

[YONHAP from Beijing]

[Text] A Chinese source said: North Korea is strengthening alertness against China, assuming it to be an enemy [kasang chokkuk], by moving 40 percent of its military forces and deploying them at the Chinese border.

Saying that it recently heard the news from a high-ranking North Korean official, the source added: Tensions at the border area between the two countries are being created as small clashes often take place there.

## Han Sung-chu Hopes DPRK Issue Solved Before Embargo

*SK1207082593 Seoul YONHAP in English 0807 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—If the international community does decide on economic sanctions against Pyongyang after breakdown in nuclear talks, it will certainly be to a degree that "North Korea does not want to be faced with," Foreign Minister Han Sung-chu said Monday.

Answering a group of foreign correspondents on whether such sanctions would have effect on already paralyzed North Korean economy, Han repeated Seoul's hopes that the nuclear problem will be solved before going as far as trade embargo. Saying economic sanctions can take place in various gradations, the foreign minister said there would be no need to start with strongest sanctions.

But once the international community does decide to move in this direction, "I have no doubt that the sanction is something North Korea does not want to be faced with," said Han.

U.S. President Bill Clinton and his Secretary of State Warren Christopher had been in Seoul over the weekend with strongest warning yet on North Korea's nuclear problem. They said they will take the matter to the U.N. Security Council unless there was progress in next round of high-level negotiations with North Korea in Geneva from July 14.

Reiterating that Pyongyang cannot expect anything from Washington without first establishing progress in inter-Korean relations, Han described what would constitute such progress.

"We have central, very important issues that we have to discuss—separated families, exchange of people, economic cooperation, confidence building measures and so on," the foreign minister explained.

Commenting on North Korea's decision to repatriate remains of 17 presumed U.S. soldiers from the Korean War (1950-1953) Monday, Han said the decision was most likely propelled by a strategic calculation.

"North Korea has reasons to claim they had one concession or victory in the New York meeting," he said, referring to previous U.S.-North Korea high-level talks last month.

"This (repatriation of remains) will enforce the impression" that North Korea is giving something in return for its victory in New York, and at the same time send signal to Washington that it is interested in improving relations.

"But this is not part of any package deal related to the New York meeting," he said.

## North Turns Over to UN Remains of 17 Soldiers

*SK1207085593 Seoul YONHAP in English 0818 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—North Korea turned over remains said to be those of 17 soldiers of United Nations Forces died during the Korean war (1950-53) to the United Nations Command on Monday at the truce village of Panmunjom. The remains were transferred from a North Korean detail to members of the UN Command Honor Guard at the Military Demarcation Line. The remains were en route to the U.S. Army Central Identification Laboratory in Hawaii for evaluation and identification, UN officials said.

## Unification Minister Departs for U.S. Trip

*SK1207022793 Seoul YONHAP in English 0200 GMT 12 Jul 93*

[Text] Seoul, July 12 (YONHAP)—Han Wan-sang, deputy prime minister and national unification minister, left Seoul Monday for a seven-day visit to the United States where he is scheduled to attend a forum and meet with senior U.S. officials. The American officials Han will meet include Vice President Al Gore, Secretary of State Warren Christopher, National Security Advisor Anthony Lake. He will exchange views with them on North Korea's nuclear problem, NUB [National Unification Board] officials said.

Han will also have bull sessions with U.S. Ambassador to the United Nations Madeleine Albright and Russian Ambassador to the United Nations Yuriy M. Vorontsov to explain the Korean Government's position on possible development of nuclear weapons of North Korea and on inter-Korean relations.

He plans to attend the ninth U.S. forum on the problems of the Korean peninsula with 18 Korean scholars residing in both South Korea and the United States to discuss the main theme of the forum—the approaches to the promotion of the homogenity between South and North Korea.

## YONHAP Cites U.S Official on Number of Troops

*SK1207093693 Seoul YONHAP in English 0849 GMT 12 Jul 93*

["U.S. Will Not Reduce U.S. Forces in Korea Below 30,000 Men"—YONHAP headline]

[Text] Seoul, July 12 (YONHAP)—The United States will not reduce its forces in South Korea below the 30,000-men level, even if the North Korean nuclear issue is resolved and the United States is to carry out additional troop withdrawal, a senior U.S. defense official has reportedly said.

U.S. Deputy Secretary of Defense William Perry disclosed the plan to a South Korean National Assembly National Defense Committee Mission which visited Washington and Beijing June 15-30, according to a report filed by the mission with the National Assembly. The mission was headed by Rep. Sin Sang-u, chairman of the committee.

Perry reportedly told the South Korean lawmakers on June 16 that he thought Washington would start to prepare for a second-stage reduction of U.S. Forces in Korea once North Korea's nuclear problem was settled.

He said the 37,000-men U.S. Forces in Korea might be reduced to the 30,000-men level. But he reportedly added he did not see the likelihood of the U.S. military strength being further reduced to below 30,000, according to the report.

The United States believes that it is desirable to further promote its ties with the Association of Southeast Asian Nations (ASEAN), the report noted. It further said that the United States was considering ways to get China and Russia closer to the ASEAN.

U.S. intelligence officials think that if Pyongyang's current state of isolation continues, North Korea's present military strength will not be able to last for more than two years, the report said. The U.S. officials think that a turning point will arrive in between six months and two years in security on the Korean peninsula, it said.

## Brunei, Malaysia & Singapore

## Malaysia

### Russian Economic Delegation Arrives for Visit

*BK1007064693 Kuala Lumpur Voice of Malaysia in English 0600 GMT 10 Jul 93*

[Text] A Russian delegation led by Deputy Minister of Foreign Economic Relations Y.A. Petrov arrived in Kuala Lumpur today for a five-day visit to promote joint cooperation.

A statement from the International Trade and Industry Ministry said the visit was in line with the new Russian policy aimed at establishing firm and versatile relations with the countries of Southeast Asia.

### Official Asks Thailand To Honor Palm Oil Accord

*BK0707022793 Bangkok THE NATION in English 7 Jul 93 p A3*

[Text] Malaysia is asking Thailand to honour a 1988 agreement to import 500 tonnes of palm oil annually, which it describes as the only grievance in the otherwise burgeoning trade relationship between the two countries, according to a senior Malaysian trade official.

Lim Seng Huat, deputy director of Malaysia's Ministry of International Trade and Industry, told a group of Thai journalists during a briefing last week that the issue will be tabled at the Seventh Joint Commission Meeting in Bangkok which began yesterday.

Since its inception in 1986, the ministerial-level commission has been a cooperative venue to expedite the settlement of many thorny issues between the two neighbours and economic rivals, ranging from border demarcation disputes, contraband smuggling and overlapping television signals along the border as well as economic and political cooperation.

Negotiations on palm oil trade have bogged down as they involve both countries trying to support their domestic interests.

"Our relations in terms of trade have been very satisfactory. Palm oil is the only serious trade issue between Thailand and Malaysia," Lim said.

"This is one problem that we feel ought to be addressed by both countries."

Lim said palm oil growers in southern Thailand not only were not as competitive as their Malaysian counterparts but also failed to supply Thailand's domestic needs.

"Yet the Thai government imposes a ban on palm oil imports. It is not quite fair," he said.

In 1988, an agreement was reached between Thai and Malaysian prime ministers for Thailand to import 500 tonnes of palm oil each year from Malaysia, Lim said.

"But that never happened," he said.

He asked Thailand to reciprocate what he described as Malaysia's goodwill in allowing the transport of perishable goods from Thailand to Singapore via Malaysia with minimal inspection.

"It must be noted that Malaysia has allowed with no material gain the transport of perishable goods from Thailand to Singapore through Malaysian roads. We don't gain anything out of this," Lim said.

"It is out of goodwill and a good relationship that some 30,000 tonnes of perishable goods go through Malaysia annually."

The deputy director said Malaysia produces about 6.5 million tonnes of palm oil a year, most of it for export.

"So, the import of 5,000 tonnes of palm oil by Thailand is actually a drop in the ocean," he said.

"What pains us most is that there is an understanding but it is not fulfilled.

"Five thousand tonnes will cost Thailand about M$5 million (approximately Bt50 million). It is a very small price for goodwill."

Lim said trade between Thailand and Malaysia in the last six years had expanded nearly three-fold—M$6.3 billion (Bt63 billion) in 1992 compared with M$2.4 billion (Bt24 billion) in 1987.

Lim said among Asean countries, Thailand is Malaysian's second biggest trade partner after Singapore.

He said Malaysia is transforming from a producer of agricultural products to a manufacturer.

Malaysia's major export items include petroleum products, electronics components and motor accessories.

Malaysia imports from Thailand rice, meat, cereal, fruits, vegetables, sugar, textiles, and electronic components.

But Lim said Malaysia is buying less rice from Thailand.

In 1992, the purchase of Thai rice by Malaysia dropped by 50 per cent.

"We've turned to Vietnam for rice imports because of quality/price considerations. However, we are looking forward to expansion in bilateral trade. We are confident that the concept of Afta (Asean Free Trade Area) will be realized. And in the meantime, our economic cooperation will continue to expand," he said.

Lim said Thailand and Malaysia have open economies that would enhance expansion in bilateral trade and economic cooperation.

### Laos Seeks Technology Transfer for Development

*BK0707125893 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Jul 93*

[Text] Laos is seeking transfer of technology from Malaysia for its development. It will send its officials to Kuala Lumpur soon to determine the technological expertise it would like to acquire. Laotian Ambassador Somphong Vanitsavet told newsmen this after calling on the Minister of Science, Technology, and Environment Datuk Law Hieng Ding.

He said Laos is also looking into the possibility of sending students to Malaysia to take up courses in science and technology.

### Zimbabwean Minister Urges Sea, Air Links

*BK1007065293 Kuala Lumpur Voice of Malaysia in English 0600 GMT 10 Jul 93*

[Text] Zimbabwe wants to have air and sea links with Malaysia. The interest was expressed by its Minister of Industry and Commerce, C.M. Ushewokunze, who called on Transport Minister, Datuk Sri Dr. Ling Liong Sik, in Kuala Lumpur.

At the meeting Datuk Sri Dr. Ling agreed that Malaysia will look into the possibility of which shipping having South-South routes. [sentence as heard] They also discussed the possibility of flying into Harare and beyond to South Africa.

### Abolition of Tax-Free Alcohol Imports Hailed

*BK1207094993 Kuala Lumpur UTUSAN MALAYSIA in Malay 15 May 93 p 8*

[Editorial: "The wise decision to abolish Malay rulers' privilege"]

[Text] Islam has rightly banned alcoholic drinks because they are the source of all evils. Consumption of alcoholic drinks is not a part of Islamic culture but an undesirable inheritance from the colonialists.

If one is addicted to alcohol, he may do anything to satisfy his cravings. A person's behavior when he is drunk is disgusting in the eyes of civilized people because such a person has lost control over his mind. Besides, a drunken person usually loses his power of judgment and often reveals personal, family, company, and even state secrets. These are indeed the dangers of being addicted to alcohol.

Therefore, the government's decision to abolish the Malay rulers' privilege of importing alcohol tax-free will certainly be welcomed by people in this country, especially the mostly-Muslim Malays.

The government's move is also in line with its policy of actively disseminating Islamic values in the country. In fact, the move should have been carried out a long time ago rather than as a response to the move to eliminate the Malay rulers' legal immunity.

The government's move has also served as a cultural shock to the people, especially the Malays, who are devout Muslims. They were certainly shocked to hear the announcement—made by Deputy Finance Minister Ghandi Othman in Parliament last night—because they always thought that the Malay rulers, in their capacity as protectors of Islam, had always led a morally unblemished lifestyle and refrained from actions prohibited by Islam. It never occurred in people's minds that the Malay rulers had such a privilege, which would tarnish the purity of Islam.

Therefore, we strongly endorse the abolition of the privilege, because in their capacity as protectors of Islam, the Malay rulers really have no need for alcoholic drinks. With the abolition of the privilege, the government will lose nothing in terms of import duties, but will even earn some if the rulers decide to continue to import alcohol. Besides, the government will also end the abuse of this privilege by certain groups of people. We have previously managed to expose such abuses by those close to the rulers.

People certainly appreciate the government's firm action on this matter and will continue to support its future efforts to achieve a just society, as advocated by our religion.

## Singapore

### U.S., France Extend Moratorium on Nuclear Tests

*BK0907034893 Singapore THE STRAITS TIMES in English 7 Jul 93 p 26*

[Editorial: "Time To Ban Nuke Testing]

[Text] Nuclear weapons tests are an anachronism in the post-cold war world and inconsistent with efforts to control the spread of weapons of mass destruction. If the nuclear powers do not put an end to such tests, they will find it hard to convince many non-nuclear states to agree to an unlimited extension of the Nuclear Non-Proliferation Treaty (NPT) when its mandated 25-year duration ends in 1995. Weapons tests would also complicate efforts to prevent proliferation by non-NPT states. The decision by the United States and France last week to extend their moratorium on tests is, thus, a welcome development. Russia has also acted promptly by extending its moratorium and calling for a Comprehensive Test Ban Treaty (CTBT). China has not given any indication of its position, but if it fails to show restraint, there could be a spate of weapons testing by other countries. Yet, such a development would only strengthen public sentiment in favour of an early ban. Extension of the moratorium has raised expectations that the US and Russia will work towards a CTBT. But there are doubts about Washington's commitment to an early ban. Since assuming office, President Bill Clinton has not been unequivocal about pushing for a test ban. Nor has he been consistent. His decision to prolong the moratorium until September next year came in the wake of Congressional threats to introduce a Bill to extend the freeze. Last September, Congress passed legislation that would prohibit the US from conducting tests after 1996 unless other nuclear powers did not do so.

Congressional pressure, more than the extension of the moratorium, has raised hopes that the US will review its opposition to a CTBT and resume negotiations which were suspended in the early 1980s. A CTBT would fulfil a long-standing commitment by the nuclear powers contained in the Partial Test Ban Treaty (PTBT) of 1963 to seek a permanent ban on all nuclear-test explosions. The prohibition under the PTBT did not cover under the ground testing. The test-ban issue marred past NPT review conferences. The last five-yearly conference in 1990 led to an agreement on tighter safeguards, but this failed to take effect because differences over the CTBT issue prevented the adoption of a final document. During the Cold War, the US maintained that tests were necessary to modernise nuclear warheads in order to strengthen deterrence. This need has become redundant since the US and Russia are no longer adversaries. Of late, the argument has been that tests are necessary to check the safety and reliability of nuclear weapons. But field tests are dispensable as alternative technology exists and can be refined. Verification was a thorny issue during the Cold War, but the Chemical Weapons Convention concluded last January has set the precedent for intrusive procedures to monitor compliance. Verifying a test ban would also be less demanding than monitoring a chemical disarmament treaty. Money saved from weapons testing could defray the costs of verification.

Unless the nuclear powers negotiate a test ban the US is unlikely to succeed in converting the NPT into a treaty of indefinite duration. A CTBT would help to appease many non-nuclear states resentful of double standards in the West's approach to preventing nuclear proliferation. Unlike the NPT, under a CTBT, nuclear and non-nuclear parties would have equal rights and obligations. Non- NPT states, like India and Pakistan, would also be committed to joining a CTBT, which would prevent proliferators from testing their devices. Lack of confidence in untested devices would help to inhibit their use. A CTBT would also facilitate agreement for a more rigorous system of NPT safeguards to prevent circumventions. In addition, a ban would be environmentally beneficial since underground tests are known to cause some venting of radioactive material. For example, last July, Kazakhstan declared areas around a former Soviet test site located in its territory as an ecological disaster zone.

### Trade Development Board Releases May Figures

*BK0407122693 Singapore THE STRAITS TIMES in English 29 Jun 93 p 36*

[All currency figures are in Singapore dollars]

[Text] Continued strong growth in sales of manufactured goods to Singapore's main export markets, particularly Malaysia, helped increase total trade volume by 24.5 percent last month.

Total trade volume amounted to $23.6 billion, comprising $11.4 billion of exports, up 20.7 percent from a year ago, and 12.2 billion of imports, which was 28.3 percent higher.

The growth in exports came from non-oil domestic exports (up 22.8 percent), re-exports (22.3 percent), and domestic oil exports (13 percent).

A Trade Development Board (TDB) statement yesterday said that the increase in the volume of non-oil domestic exports last month was largely in integrated circuits, disk drives, printers, microcomputers, computer parts and peripherals, telecommunication equipment, radios, and parts for videocassette recorders and colour television sets.

The volume of the republic's non-oil domestic exports to its four major markets continued to grow by double digits. Non-oil domestic exports to Malaysia showed the fastest growth at 90.3 percent. This was followed by Japan (58.7 percent), the United States (16.2 percent), and the European Community (14.6 percent).

Growth of non-oil domestic exports to Hong Kong and Australia were also strong at 21.9 percent and 19 percent respectively. But those to Thailand and Taiwan dropped slightly by 7.6 percent and 6.8 percent respectively.

Most of Singapore's trade with China is through Hong Kong, but Singapore's direct exports to China in the first five months of this year jumped 71.5 percent to over $1 billion in current price terms. In contrast, Singapore's direct imports from China rose only 5.7 percent to $1.47 billion.

TDB has started giving figures on Singapore's trade with the Indochinese states since the beginning of this year. The May figures showed that Singapore's exports to Vietnam in the first five months totalled $663 million, while imports amounted to $223.4 million.

Singapore's exports to Cambodia in the first five months were $225 million and imports only $15.4 million. Exports to Laos totalled $7.4 million, while imports were negligible.

On imports, TDB said more foreign computer and electronic items were sold to Singapore. The import of an oil tanker and a few cargo vessels also contributed to growth.

Summing up the figures for the first five months, total trade volume was 18.6 percent higher than the corresponding period last year. Imports rose 19.6 percent, while export growth lagged slightly at 18.5 percent. Non-oil domestic exports in the first five months soared 23.6 percent compared to 7.8 percent in domestic oil exports.

## Cambodia

### Sihanouk Chairs Cabinet Meeting 8 Jul

*BK1007061093 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 8 Jul 93*

[Report on cabinet meeting held under the chairmanship of Head of State Prince Norodom Sihanouk at Chan Hall in the Royal Palace on 8 July]

[Text] [Begin Sihanouk recording] My respects to Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairmen of the Provisional National Government of Cambodia [PNGC], and their excellencies the distinguished PNGC members: First of all, I would like to say that I am very pleased to meet all of you, my most esteemed children, again. Today, we hold this meeting in keeping with the tradition of genuinely democratic states. Every week, a meeting is to be held between the government and the head of state at the latter's office. For instance, the French Goverment and president meet every week at the Champs-Elysees Palace. As for us, we hold our weekly Cabinet meeting in the Phnom Penh Royal Palace.

I wish to thank all of you, beloved children, for working hard to serve the nation within the framework of our new government. Both the national and international communities have delightedly and warmly praised us for our close unity and our efforts to ward off splits, insecurity, and instability and to reestablish sovereignty, unity, and solidarity for the nation. Everything has been done within the framework of national concord in line with your Prince Father's national reconciliation and unification policy. We have once more elevated the image of Cambodia—our sacred motherland, people, and nation—as in the Sangkum Reas Niyum [Sihanouk's pre-1970 party] era when our country was honored, renowned, and treated as an equal by other fully independent, liberal, democratic, and prosperous nations in the world. The harmonious work jointly carried out by the PNGC, the Constituent Assembly, and the head of state has restored our people's confidence and optimism in the future of our Cambodia.

We are currently organizing major undertakings in the superior interest of our nation. We are particularly in the process of drafting our constitution. Under Sangkum Reas Niyum we also had a constitution, but this latest constitution should be hammered out in keeping with the current situation and destined for our future. It is certain that the drafting of our constitution will be successful. After the drafting is completed, the constitution will be promulgated for our people to use in controlling all state affairs. Our people—the masters of the land, water, and destiny of the nation and the voters who have elected the people's representatives to assume power, codify laws, and appoint the government and head of state on behalf of the entire Cambodian nation—will be proud of and most confident in the brilliant destiny and future of our country. We will do our best to make our nation equal to other countries, particularly the Western countries, which have pioneered liberal democracy.

We are making this constitution equal or even better than other countries' basic laws. As I said the other day when I mentioned our people's rights and freedom, we have absolute respect for human rights and human life and especially we do not advocate capital punishment or the death penalty because we worship Buddhism. In those countries which claim to be the champions of liberal democracy, such as the United States and France, the death penalty still exists. Some countries still send prisoners to the gallows or give them lethal injections, put them on electric chairs, and decapitate them with the guillotine. However, as far as we are concerned, we will not resort to anything that can be considered degrading to humans. The most serious crime a man can commit will only be punished with life imprisonment. And if he behaves himself, his life sentence may be commuted to only 20 or 10 years in prison. After that 10- or 20-year term, he may be set free to become an ordinary citizen again.

Availing myself of this opportunity, I would like to raise an issue that is not a state affair, but one that also concerns the people. This morning, some 300 persons came to my office and requested that our government kindly postpone their eviction from land which they have illegally occupied. Our Phnom Penh municipal administration deems it necessary to reorganize our city and to try to make it as beautiful as it was in the Sangkum Reas Niyum era seeing that a growing number of people have set up shanties in a most disorderly and chaotic manner. These shanties are deprived of any sense of order and, in some places, even a semblance of sanitation. Certainly, I understand that our government is duty-bound to beautify and reestablish order in our capital city according to the law of the state. So, those entitled to this or that plot of land should be assisted to acquire permanent legal ownership of their land while squatters should be dealt with according to the law.

Nevertheless, in my opinion, we should not tell the people to take down their houses or cottages right away if we have not yet mapped out a relocation plan. After Pol Pot and the Khmer Rouge left Phnom Penh in the wake of their military defeat, an increasing number of people, as H.E. Prime Minister Hun Sen has frequently informed me since my return home, have come and occupied this or that plot of land in virtually total anarchy. The people have forgotten about true law because under the reign of Mr. Pol Pot, people were acquainted only with Khmer Rouge law—a weird and indecent type of law. They still do not understand yet what civlized law is like. No, they do not understand it yet and they need gradual reeducation before they become enlightened. You should not rush to do that either.

So, since then total anarchy has ruled our city of Phnom Penh. Allow me to cite just one example: The traffic here is hopeless. Accidents involving cars and motorcycles are countless because the motorists do not know the traffic laws at all. They do not know who has the right of way. Consequently, accidents take place daily. Robberies and gun battles in the style of U.S. movies are also rife because most people have forgotten about the laws and customs of a civilized nation since the day Mr. Pol Pot imposed his brand of law on them. Therefore, we should give them elementary reeducation in a very nice and gentle manner. This is not demagogy [precedent word repeated in French]. But we have to start very low. I would like to inform you that H.E. Hok Langdi against whom the 300-strong group lodged a complaint with me this morning has taken a correct measure. However, in my opinion, I would like to urge him and the Phnom Penh municipal administration to keep a low profile for the time being. Before inviting the citizens who have illegally occupied this or that land to vacate, our authorities must first make available some unused land not too far from Phnom Penh with sufficient water for them to live and to build their homes on.

Please do not evict them now, otherwise there will be unrest as Your Highness Prince Kromluong and Your Excellency [Hun Sen] know very well that under liberal democracy we have many parties and many of them have not been elected. And as I informed the parliament the other day, these parties plan to set up an opposition parties association [preceding three words repeated in French]. Their opposition means that they are waiting to find fault with the government. They will be a pain for the government. But this is liberal democracy and they have the right to do that. And, moreover, the gentlemen of the Party of Democratic Kampuchea [PDK], that is, the Khmer Rouge, have now returned [to Phnom Penh]. Surely, they will not remain idle; they will conduct some of their mass agitation tactics.

So, you have the association of Mr. Long Bora with more than 10 opposition parties and on top of that there will be the super party of the PDK. Our government will have a serious time ahead. And your Prince Father, too, will have a serious time ahead... [Sihanouk laughs] in his capacity as the head of state. We will not be short of problems. The parliament, too, will have difficulties. All three of us, that is, the government, parliament, and the head of state will face difficult days ahead. But come what may, we will have to let destiny decide... [Sihanouk laughs] because we are now a liberal democracy. So, in sum, I call for low-key treatment of this matter.

I, Prince Kromluong, H.E. the prime minister, and all excellencies today have all the time to serve the nation together by jointly examining both major and not so major issues, including both internal and international matters. However, before ending my short prologue to this meeting, that is, to our communal work held in a friendly and family-like atmosphere, permit me to inform you of the Preah Vihear incident. Maybe, you already know that I made a declaration [preceding word repeated in French] to the press this morning. I am not pleased with the fact that the PDK has expelled our soldiers—the former soldiers of the State of Cambodia or Cambodian People's Party who are now soldiers of our nation, of our genuine, unified state—from Preah Vihear. They have not yet returned Pailin to us and now they have seized Preah Vihear. So, in my declaration this morning, I told them to return everything, Preah Vihear, Pailin, and all their autonomous zones included.

When Prince Chakkrapong and H.E. Sin Song tried to set up their own autonomous zone, I ordered them to give up that idea immediately and they complied with the command of their Prince Father. H.E. Hun Sen also went to see them and conveyed my order, and they listened. We have already solved that problem. However, the gentlemen of the PDK or the Khmer Rouge have not yet responded to the request of the Prince Father.

I, your Prince Father, have taken many steps just to please them such as granting them permission to live on the land of the Royal Palace for several more years so that they will feel some pity for the nation and help prevent the partition [preceding word repeated in French] of the country and avoid secession [preceding word repeated in French]. I have taken no measures to attack them. I ask them to ponder hard. For the time being, let us leave aside the Pailin issue which remains unsolved. But they must return Preah Vihear to the Cambodian state—not the SOC or State of Cambodia [preceding three words in English] of the old days—they must return it to the genuine, unified nation. They must return Preah Vihear to the nation and refrain from taking it in a violent and illegal manner. In seizing Preah Vihear, they used violence and also broke the law. No parties, be it those of Mr. Long Bora or any other gentleman, have the right to set up an autonomous zone or autonomous village. Let alone an autonomous province or district, they do not have the right to set up any autonomous village at all.

I, therefore, take this opportunity to give an address over our national television to those on the PDK side, both military and civilians: Please stop doing that, that is, please walk out of Preah Vihear and allow our national soldiers to reoccupy it. If Your Highness Prince Kromluong sees no objection, then order the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] soldiers to occupy it. This is just in case they [the Khmer Rouge] say they hate Your Excellency, or, the soldiers of Your Excellency Prime Minister Hun Sen.[Sihanouk laughs]

Now, let us try leaving it with the FUNCINPEC soldiers. Yes, our Armed Forces have already been integrated. But let us dispatch the FUNCINPEC soldiers to occupy Preah Vihear anyway, of course, if Prince Kromluong sees no objection. You should contact the PDK now. They are all here, including such relativevly important personalities as H.E. Khao Bun-heng and H.E. In Sopheap. And soon, H.E. Khieu Samphan will arrive. If they come to Phnom Penh, it can be said that they return to the national community. It appears, however, that, on the one hand, they return to the fold and, on the other, they break the law. So, I would like to tell them this: If you do that, you become outlaws [preceding word in French]. It is not right to be outside the national law.

Therefore, I am not going to use violence. That is what I want to explain to these children of mine.

Other than that, there are no important issues to tell you. I would like thus to ask my most esteemed and most beloved HRH Prince Kromluong and H.E. Hun Sen to kindly report to me concerning the tasks undertaken by our government. If you have problems for me to examine, please raise them in your reports. Moreover, in this discussion, if their excellencies the deputy prime ministers, state ministers, and ministers have something to tell the Prince Father or to discuss with him, please do not hesitate to do so. Do not forget that we are a family. In a family, the children have the right to speak to their father in a very intimate atmosphere. If you have something to tell or discuss with me, please feel free to bring it up. Only in this way can we perform our work smoothly in the future. There are many problems and each is very complex. Do not fear discussing them; we need to solve them together without hesitation and with friendship in the interest of our nation. Thank you very much.

Now, I ask my children from the television network to be ready to tape HRH Prince Kromluong, cochairman of the government, and H.E. Hun Sen, another cochairman of our government. Please prepare to make your shots. Before doing that let me thank the children from the television network, for we are going to do what we did under Sangkum Reas Niyum. We allow our people to see and hear part of the report. No, we are not going to let them tape the whole thing. We allow the TV guys to shoot only the opening of the meeting. Under Sangkum, as you know, we taped the whole process, especially during the popular congresses. They taped everything in those congresses three days and three nights in a row. So, it is good to imitate Sangkum. As you have decided in the constitution, we will have these popular congresses again. It is good of H.E. Ing Kiet [second vice chairman of the parliament] to make that initiative. We plan to hold the congress once a year. Under Sangkum we held two congresses annually. After thinking about it, I now believe that holding two congresses a year was not right because one of them had to be held during the monsoon. For one thing, the peasants were busy with farming. Many of them wanted to attend the congress, but they could not because they had their farm work to do. For another thing, as the congress was under way it usually rained. With the rain, it was difficult to have a congress. Not all participants were sheltered; many sat in the open and were soaked. Thus, we could not work.

I would like to inform our compatriots right now that the congresses will be organized like those under Sangkum in order to allow the people, every citizen, to interpellate the head of state, the parliament, or the government. The door will be open to all. It will be like a house with all its doors and windows wide open for all to come in to interpellate us. You can criticize us or make suggestions to us or ask us to pass or amend this or that law or tell us how we should proceed with both domestic and foreign policy, in ways you like. The citizens, the people, who are sovereign, can make all those demands. However, there will be only one congress a year. If we hold two, one of them will be under difficult conditions because, on the one hand, the peasants who want to attend will not be able to attend and, on the other, it usually rains during one of the congresses and when it rains those who have sacrificed farming for the congress will not be able to have a congress anyway because of the rain. Therefore, we will hold only one congress every December. We will include this provision in our constitution: Every year the congress shall be held on 1-3 December.

So, during three days every year our people will be invited to have a direct encounter with us in the congress. Nevertheless, outside the congress, the people's representatives and ministers still remain duty-bound to meet their constituents. The congress will be an important organization typical of our democracy. No other countries have it. Just a very few examples can be cited for the whole continent. In the past, ancient Greece practiced it thousands of years ago. Cambodia must be proud to have congresses. And I have to thank H.E. Ing Kiet for initiating this idea and I thank all of you for seconding the idea of reviving the congress. We will hold it in December because, first, it will be a cool month and, second, there will be no rain. The people will have no problem traveling from the countryside and the proceedings of the congress will be successful in both its morning and afternoon sessions and at night we will have an artistic congress with song and dance contests. Without the rain all of that will be a success. When we held two congresses, during one of them the rain usually drove the participants away. No political discussions, no songs, no music were possible. So, we are going to hold one congress a year, on 1, 2, and 3 December. Thank you.

Now, I invite HRH Prince Kromluong to please present his report to be followed by that of H.E. Cochairman Hun Sen. [end Sihanouk recording]

[Begin recording] [Ranariddh] My great respects to HRH the venerated prince head of state; esteemed their excellencies the cochairman and members of the PNGC: First of all, on behalf of the PNGC I would like to express our most profound gratitude to you, venerated Prince Father, for graciously permitting us to humbly bow before you, venerated Father of the Nation and head of state of the Cambodian nation, today to hear your advice and present to you reports on the priorities and tasks that our new government will have to undertake in order to solve the major problems for our motherland.

First of all, I would like to voice full support for the declaration that you have made to the nation and foreign countries today concerning the armed occupation of our Preah Vihear temple by the PDK-Khmer Rouge. In this connection, in the name of the PNGC, we have unanimously decided the following:

First, we are not going to use violence or strong-arm methods to attack and liberate the temple, for that may cause damage to Preah Vihear which is our nation's cultural heritage. It is for this reason that we most gratefully welcome the declaration that our venerated prince head of state made on 7 July. We consider this declaration a great pressure on the PDK-Khmer Rouge.

Moreover, yesterday at 1500 we summoned Mr. Khao Bun-heng for questioning concerning the Preah Vihear incident. In his answer to the deputy minister in charge of the Defense Ministry, he said that he had no idea about the incident and that he would query his superiors first before presenting a report to the PNGC. This is what we have already done concerning an official statement that the national media—the national press, radio, and television—have already propagated.

As for the petition presented to you by a group of people concerning their eviction by the municipality in a citywide clean-up campaign on which you have already given us your august view just now, we would like to assure you that we will follow your most correct advice. We would like also to inform you that this evening at the office of the Council of Ministers a meeting will be held in the presence of the cochairmen of the PNGC and with the participation of the responsible personalities from the Phnom Penh municipality in order to examine and discuss the many serious problems facing Phnom Penh, including not only the question of city beautification, but also security, gambling, and other problems that usually cause the Cambodian public insecurity and disorderliness.

Concerning this question, we also plan to make available a vast piece of land not too far from Phnom Penh to build what we call a social housing project [three preceding words in French]. This means that we will get money by making loans or securing funds to finance the project just as Singapore has done in building nice houses at low cost and low interest so that we can lure our people to move out of Phnom Penh and live there by selling or renting them these houses at the lowest prices. However, before doing that we must first find the land, second get the capital, and third make employment available. To have jobs available, we will contact foreign companies that want to set up small plants. We do not want big ones, just small and medium enterprises [four preceding words in French] to get jobs for the people right on the spot. This means that we are going to have both houses and work available for them so that they can live. This is one solution.

Another solution is to make water and electricity available, just as our venerated prince head of state has stressed just now. We must create a state of autonomy in the supply of water and electricity. The water and electricity issue is very important.

Finally, we must solve the question of mass transport [two preceding words in French]. Only by having an efficient mass transport in place can we avoid huge expenses on fuel, which is a scarcity for us, and also can we prevent smog that is the source of pollution [preceding word in English] in the capital.

All that is the plan that the PNGC must tackle. However, we know that we will not be able to complete it within the next two months. Neverthelss, this is a major social project that the national government will keep carrying out.

Concerning the city clean-up campaign and the eviction of illegal squatters, as our venerated prince head of state has most correctly pointed out, we must solve it little by little, gradually reeducating the people and finding places for them to live first before evicting them. If we evict them right away, there surely will be unrest in our national community especially now that the government is in great need of both political stability and social calm....

[Sihanouk, interrupting] Yes, we need calm. But we should tell the people that if the Prince Father and the government have agreed to make everybody satisfied, that is, not to strong-arm anyone, others from the outside, too, should not rush in. Now that the prince head of state has urged the government to handle this affair with care, those who have not yet caused any problems for Phnom Penh might start coming in. If this is the case, then we will really have a tough time; it usually happens that way. I have observed since my return that in some cases the authorities have asked the squatters to vacate for a good reason—for example, because they were too close to, say, Hotel Cambodiana and it was not good to let them stay. So, they were invited to get out and UNTAC even asked them to go—but when I urged the authorities to relent, from at first, say, only some 30 huts scattered on the land the next day we found that about 100 more had sprung up from nowhere at all. I would like to caution you against such an incident.

I appeal to all of you to not to do that again... [Sihanouk laughs], for if you insist on doing that we will never get out of the impasse. It will also be a loss to you, my children. Now, that we have peace the government is surely going to help improve the people's lot. In the future, the people will be happy. If the people resort to anarchy and violence—sometimes there is fighting among squatters themselves over some pieces of land or between the squatters and the police—everyone will stand to lose. Moreover, let us go even further in perceiving the possibilities. Some parties that have not been elected by the people may have an opportunity to take revenge by continuing to incite the people. And if those on the Khmer Rouge side also get involved, seeing a chance to create chaos and carry out mutual killing, the ones who stand to lose are the people and not the country alone. Because when there is anarchy, no one can work and live a happy life. And should that continue, Mr. Pol Pot might return. Then what profit will the people gain from it?

If the legitimate government falls, Mr. Pol Pot will surely return to power. If we are not far-sighted enough, Mr. Pol Pot will grab power. If he comes back, I am sure you know what will happen. Suppose you refuse to leave the illegally occupied land and start fighting the police and all that. When the true government falls and Mr. Pol Pot returns, do you think you can hold on to those pieces of land? You will be evacuated and will suffer greatly because of the lack of medicine and food; many will die, and you will have to start producing No. fertilizer again. Briefly, you will suffer. And will someone come to your rescue once again? No one will. If Mr. Pol Pot returns to power, you are finished. In the past, there was the Vietnamese who came in to solve that problem for you. But I do not believe that the Vietnamese are coming back. So, if the Vietnamese are not coming, who can help? To be frank, the Americans pay lip service only. They are only good at ordering us not to include the Khmer Rouge in the government, not to do this, and not to do that. They are good only with their mouths. If Mr. Pol Pot returns, the Americans will not come to help us. No, they will not come to help us at all. So, who will help? Therefore, you must think far ahead into the future.

You should agree with the following. First, I have asked the government to proceed gradually, step by step with the eviction and to avoid strong-arm methods. Second, I ask the people who are outside not to rush in and aggravate the charge and duty of our government. I have to stress this because it usually happens that way. For example, if at first the problem involves only 30 persons, it usually becomes one involving 300 and if we insist that the government deal with it gradually it always ends up with 3,000 the day after. We thus reach an impasse. If we have an impasse, Mr. Pol Pot will win and if Mr. Pol Pot wins he will surely return. Mr. Pol Pot's wish is always to return; he has made preparations for that since 1979. Now he is in Preah Vihear, and next maybe he will come to Phnom Penh. When that day arrives, my dear children, life will be very very tough again. I am not trying to frighten you, no. It is the truth. For example, he said that he must liberate any regions inhabited by the Vietnamese. To tell you the truth, there are no Vietnamese in Preah Vihear. Only the Thai are getting in and out of that place. There are no Vietnamese in Preah Vihear. But he said that he would do everything for the liberation of Cambodia from the Vietnamese claws. But he has liberated Preah Vihear where not a single Vietnamese is known to be living. So, we can clearly see that he is not honest. He is not honest at all. Therefore, we must absolutely be on our guard. That is my only concern. Personally, I have no more children or grandchildren of my own to worry about. The Khmer Rouge massacred almost all of them. There are very few left. I am not afraid for the safety of my own children, but that of the people who are also my children. I have to inform you that if you cause our parliament, our new regime that is trying to make Cambodia raise its head and stand on its own feet again to fall, if you cause our national government to fall, it will mean that you will help Mr. Pol Pot win. If Mr. Pol Pot wins, all of us die. It is not I but you, my children, who will die. In the past, who died? The people did. More than 2 million of our 7-million strong population perished. That was a lot of people. I do not know how many million more will die this time. So, we must cooperate with one another. This government, dear children, is born out of the people. The people have voted for it because they believe it is trustworthy. Now as HRH Prince Kromluong has just said the government pledges to follow the advice of the Prince Father by proceeding carefully and gradually in this matter and to make all arrangements for the benefit of the people. Therefore, those of you who understand me, please help the government by having a correct attitude. Thank you.

Prince, please continue your address. And Your Excellency will be next. [end Sihanouk recording]

[Begin Ranariddh recording] ...to come in and occupy those places, such as at the building settlement area. More squatters are coming in to stay and more are occupying the vacant lots in front of Chamka Mon. No vacant lots are spared. Consequently, there is no orderliness at all and the lack of hygiene entails [Sihanouk is heard in the background saying: Right, there is an absence of hygiene]. So, as a result of this disorderliness there are problems of sanitation and livelihood. These are among the problems that the PNGC must solve. We also have two priorities to be urgently worked out. The other day when we called on Your Highness the august Prince Father at the Teveavinichhai Throne Hall the government explained as its priorities, first, the question of filling the national coffer and, second, the agricultural production sector.

Now, I humbly ask your permission to invite H.E. Hun Sen, cochairman of the PNGC to present a report to HRH our venerated prince head of state. Graciously permit me to inform you that the government is now busy transferring services after acknowledging the royal decree officially appointing the PNGC. In the process, we have been experiencing quite a serious shortage in terms of new buildings. Because we have established several new ministries, we now find ourselves strapped with many problems in terms of both staff and materials, such as buildings to house the ministries. However, we are in a position to deal with these problems one after another. Yesterday, all of us, myself, H.E. Cochairman Hun Sen, and the deputy coministers conducted the transfer of posts at the Ministry of Interior and National Security, which is a very important ministry in Cambodia. [Sihanouk is heard trying to cut in] Thank you, with all my respects. [end Ranariddh recording]

[Begin Sihanouk recording] Thank you, Prince Kromluong and H.E. Cochairman Hun Sen, who will make a speech soon. But before allowing Your Excellency to speak, I would like to make a little note about the availability of buildings, for the mandate and mission of UNTAC will end in late August. This July and August they will remain as the transitional auhtority helping to control Cambodia. Their mandate expires on 29 August.

But I have asked them to stay on as our guests until September. I want them to stay on as our guests and not as an authority. Their status as an authority expires on 29 August because they have requested to remain an authority three months after the election which ended on 28 May. So, on 28 August they will remain an authority but on 29 August their mandate must end. But they will stay on another month as our guests. They have said that they have so much luggage that they just cannot leave right away. Some even told me that it would be after October before they can depart. I have allowed them to stay up to September and they wish to stay here until October. They seem to love us so much, like lovers, never wishing to part.

They have approached us with this idea. Yes, the Americans, everybody, the Dutch, et al, have asked us this: After UNTAC has departed, will the prince permit a small UNTAC unit to remain? I said: Absolutely not. This is because UNTAC means authority and an authority must control us. So, when will we be independent then? Will we have to remain a protectorate, a colony of the United Nations forever? They said it would be a small copy of UNTAC. I replied that small or big, it should not be called UNTAC, for it means authority—United Nations Transitional Authority [preceding four words in English]—and authority means control in our country even though transitional means temporary. But then for how many hundred years more will that transitional period last? Thus, I said, let us make it this way. Let there be a permanent diplomatic body to represent the United Nations called the Permanent UN Mission to Cambodia [preceding five words in French]. They asked whether such a mission would wield any power. We said that it has the power of a diplomatic mission. Then they wondered whether it could control? Yes, it can. But it cannot control Cambodians. It controls only its own people, such as those in the UNDP [United Nations Development Programme], UNICEF, WHO, UNESCO, and so forth which are UN agencies. I said: You can control, for UN representative H.E. Butrus Butrus-Ghali is just like a head of state. He should have an embassy called the permanent mission [preceding two words in French]. We Cambodians also have a permanent mission to the United Nations. It is an exchange of representatives. Cambodia's representation to the United Nations is not an embassy, it is called the permanent mission of Cambodia to the United Nations [preceding nine words in French]. Thus, the counterpart here is the Permanent Mission [preceding two words in French] of the United Nations to Cambodia. But it controls its own people, its own agencies. Just do not control us. Then they asked whether it was possible for them to set up observers. They said that they have some soldiers for observation work at the border. So I said why not? Do stay. It is reasonablke for them to have some observers. We have nothing to hide. If you want to observe, go ahead and observe.

Speaking about observation, you should know that there are two aspects. First, the journalists. Journalists are always observers. Since we allow the journalists all access, why can't we let the United Nations observe? Second, the observers. If they are overt observers, then they are preferable to the CIA. If we do not accept the overt observers, there will always be the covert ones. And the covert observers always cause trouble just like in the past when the CIA came here and worked with Prince Sirik Matak and Mr. Lon Nol to depose Sihanouk.... [Sihanouk laughs] Therefore, it is better to let them be around openly rather than secretly. So I said, go ahead and observe; but if you go to the border, please help us take care of our border. Do not let the rains, I mean, heavy rains wash our border markers into our territory. Please help prevent incidents in which the rains are said to wash the border markers into our territory. No, I do not say that our neighbors take advantage of us; I blame the rain. The might of the rain water has flushed and pushed the border markers into our territory. Thus, we would like to ask those observers to please help make the neighboring countries work with us in keeping the border markers in their rightful places in accordance with our laws, with our maps.

So, since Prince Kromluong has raised the question of a housing shortage, I would like also to stress this issue. I want to point out that UNTAC is ending its mission in September. After we have the constitution, the head of state for a five-year term, a parliament for a five-year term, and a stable government, we must be 100 percent independent as in November 1953. Therefore, in September 1993, that is 40 years later, we must be independent again. However, UNTAC will still be helping us in September. Thus, in October, it will end its presence here. After ending its mission, it will set up a permanent mission of the United Nations to Cambodia. Then, it will have to rent its own residence. The present residence that we have provided UNTAC near Phnum Don Penh Hill must be returned for use by the government. Prince Kromluong has just mentioned that we are in need of bureaus, of working places for our government. Therefore, UNTAC should return that residence to us. If UNTAC still wants to rent it from us, do not rent it to them. Let UNTAC get another place, for that residence is the symbol of our independence, of our national independence. The Royal Palace is a symbol, of course. But the Royal Palace is that of the head of state. But, the residence that we have allowed UNTAC to stay in near Vat Phnum is the symbol of the independence of the national government, of the independent national Government of Cambodia. therefore, Prince Kromluong Norodom Ranariddh and H.E. Cochairman Hun Sen should install the government there as of October. Therefore, we will have plenty of space to take from UNTAC. Some places have been given, some have been lent to UNTAC by H.E. Prime Minister Hun Sen [Hun Sen is heard saying in the background: A total of over 1 million square meters]. Yes, over one million square meters. Therefore, UNTAC should return it to us. However, since they have money, they can easily rent some of it back. They claim to have many branches in that mission, UNTAC should rent their own space. But where? Anywhere that we do not need. Any place that our government needs for our ministers and deputy ministers of several of our ministries, we should get them back from UNTAC, say, by October.

So, as of October, we will be able to solve this housing problem. We have given so much to UNTAC. By October, if they want to stay on they will have to look for new houses and new offices by itself. They can rent or build them themselves. That is up to UNTAC. But whatever belongs to our state that we have lent to them because they have come to help us, we will get them back. We must tell them that we thank them and will never forget the good they have done for us. That is why we will let them stay in the places we lent them for a few more months. But as of October, they will have to seek their own residences and offices. There are many new houses for rent. On my car ride downtown I have seen many refurbished villas for rent. There are plenty of these for rent [preceding two words in English]. So, it should look for and rent them. We want ours back for use as offices for our national government. Thank you. It is because Prince Kromluong mentioned the scarcity of office space that I took this opportunity to tell you all of that.

The television crew should please continue your telecast and after H.E. Prime Minister Hun Sen, the cochairman, gives his report, you may end your telecast and take a rest. After that, we will continue our meeting for one, two, or three more hours without being televised. There is nothing to hide from the public, but the major issues are discussed for just one hour at the beginning of the meeting. After that, there are just ordinary issues. Moreover, the people might wish to watch their favorite theatrical shows or ghost movies from... is it China? No, from Thailand, right, Thailand, because it seems that there are many satanic spirits in Thailand. Maybe they might wish to watch Chinese Kung Fu fighting movies or to listen to song requests on radio rather than listening to the Prince Father's political talks. Whenever I turn on my radio, I invariably hear someone requesting this or that sweet song for this or that miss. Let them enjoy. It is alright. Do not make them waste their time listening to too much politics. There is a funny story... [Sihanouk laughs] a mister requested a song for, of all persons, a married woman and her husband was mad, jealous. Therefore, my children should be careful. Do not request songs for married women because that might cause household trouble if the husbands happen to be jealous. Right? Please take care. [Sihanouk laughs] In the time of Sangkum, I also made similar counsels. You can have fun but try to avoid trouble. [Sihanouk laughs] Thank you. Your Excellency, please. [Sihanouk invites Hun Sen to speak and laughs; end Sihanouk recording]

[Begin Hun Sen recording] My respects to Your Highness prince head of state and Father of the Nation, HRH Prince Kromluong, Prince, excellencies the deputy prime ministers, state ministers, and ministers in the cabinet: First of all, I am most delighted to be able, along with HRH Prince Kromluong, to lead the cabinet to attend this cabinet meeting under the chairmanship of Your Highness prince head of state. I am very pleased with the statement made just now by Your Highness prince head of state with regard to a number of problems, including care for the people who have settled on some plots of land and your appeal for others not to come in and occupy these places while the government is continuing to find a solution to the problem of land for them.

Prince Kromluong has reported to Your Highness Head of State on major points of the priority tasks. I would like to inform you that the Government Cochairmen have over the past few days issued a number of written directives to establishments in the provinces and municipalities to deal with a number of urgent problems.

On 6 July, the Provisional National Government of Cambodia [PNGC] held a meeting to discuss and prepare for the cabinet meeting chaired by the Prince Head of State. The issues to be raised for discussion deal primarily with finance and state budget, and secondly with agriculture. Along with this, there are other priority issues, such as hygiene and goods prices, which directly affect the people's lives; and security and public order in connection with gambling and the illegal use of weapons, banditry, or the indiscriminate use of firearms, such as the recent firing into the sky at the rains, spirits, and eclipses.

HRH Prince Kromluong asked me to report to the Prince Head of State on the 6 July meeting. Those at the meeting listened attentively to the issues relating to the budget. Allow me to report that this year's state budget, with the contributions of the IMF and the World Bank, is planned as follows. The income will be 2.380 billion, and expenditure 4.467 billion, with a planned deficit of 184 million [currency not specified].

In the six-month period of the policy's implemention, the previous and current governments—all have become former: former State of Cambodia [SOC], former FUNCINPEC, former Khmer People's National Liberation Front [KPNLF]; these are now together in the National Government—have noted that state income was 35.69 percent while expenditure [as heard] was .00 (?against) 35. Income was (?35.59) percent for the earlier part of the year with expenditure at 32.29. The recent budget deficit was 27.22 percent [all figures as heard]

H.E. Sam Rangsi said that this figure is not very big for a deficit. I would like to inform you that included in this plan are taxes owed the government by some state establishments and some private companies. These taxes will have to be collected. A number of establishments and companies, by 3 July, owe the government over 3,000 million riels and $224 million. Apart from this, there are some companies and businessmen who have not yet paid taxes for April, May, and June. The Finance Ministry will take measures to deal with this issue definitively in the future.

Concerning the financial situation, the issue of May salary has been settled. There are some delays concerning some small problems. For the information of the Prince Head of State, the problem that will be encountered concerns the month of July.

Last June UNTAC did not provide any assistance at all, despite the promise made in May that in June, and in subsequent months, emergency assistance will be provided to the existing structures, military and civilian. However, in June, UNTAC or the international community did not give anything at all concerning salary and other expenses. However, UNTAC did help by bringing rice for sale in market places to reduce rice prices and to collect the riel notes for the new government. Now that there is a government, it is not known whether UNTAC is willing to release the money from the rice sale to the government.

Concerning the situation for July, I would like to inform you that income will certainly increase compared to April, May, and June. I would like to say that there was a decline in state income in April, May, and June due to the political situation, election preparations and some problems following the elections, political instability, and psychological concern of the people. This contributed to the decline of state income, particularly income from imports and other businesses.

Two weeks after the news that a national government will be set up and be stable, businessmen and investors became confident and import taxes consequently increased. At the same time, the value of the Riel currency has in general been improved; it is not very stable yet but can be considered [changes thought] political stability and political confidence have fairly raised the value of the currency. The government believes that the currency will be further stabilized if a number of measures are taken along with a meticulous management, including currency exchange control, and if we refrain from printing more bank notes.

I would like to report that the problem, soon to be faced, is the size of expenditure, which will increase compared to the past period. There a number of reasons for this. In the past, only the majority of former SOC troops, police, civil servants, and teachers were paid. The salaries were not much; at times workers were paid late. The administrative and military personnel of former FUNCINPEC and former KPNLF were also paid; it has to be said that some did not even have salaries.

However, from 7 July, it cannot be said that only troops of one side will be paid salaries. There should be a common budget for former SOC, former FUNCINPEC, and former KPNLF troops and police. This will add a significant increase to expenditure.

I would like to inform the Prince Head of State that in the former SOC, according to the plan, only up to 40 percent of expenditure could not be covered. So, if we include personnel from all sides, this figure will become bigger with the expenditure getting larger. Allow me to inform you that the former SOC spent up to 15,900 million riel, just for salaries. Therefore, if former FUNCINPEC and former KPNLF personnel are also included, the figure will be not less than 20,000 million; the final figure is not yet available. This calls for efforts to find this money from various sources of income. Losses should be prevented.

In the financial sector, some preparations have been made and are contained in this written report relating to the immediate establishment of tax inspection offices and tax officials to check income and expenditure and the management of state property.

Furthermore, I would like to inform you that in setting up all these places, there are three types of establishments already outlined by Prince Kromluong. There are three types. First, establishments that already have a material basis, such as buildings, personnel, and offices. A fairly large number of establishments are in this category. The second type concerns establishments that have to be subdivided such as the communications ministry. In the past, there was only communications. Now this will be subdivided into transport, public works, and telecommunications, and river transport. This type of establishment does not demand too great an expenditure. Work places will be set up by upgrading departmental offices into ministerial offices. The third type of establishments are newly created institutions, such as public works, which can be set up using the money from the Labor Ministry. There are other institutions, such as the Ministries of Rural Development and Environment; the latter already has an office. There are some institutions that do not yet have offices.

Over the past few days the prime ministers' office has been making efforts to urgently solve this matter of offices. The cochairmen have appealed for urgent transfer of ministerial functions in order to avoid losses of equipment. The appeal is being continued to calm down compatriots who are leaving offices with equipment. Such acts will make the state face difficulties and increase the budget for setting up new ministerial offices. The cochairmen have issued circulars providing directives on this matter. This issue was also stressed in the government communique, on the day after the government was set up, in order to properly manage movable and immovable state property.

I would also like to express further concern over income and expenditure. Income losses still occur at some places, such as at fishing lots and a number of forestry concessions because the Party of Democratic Kampuchea continues to violate these areas. Now is the season in which fishing is banned. However, following the spawning season, fishing preparations will be made for the coming season. Fishing lots are being prepared. Therefore, a number of fishing lots will not have any income because they have been abandoned due to violations by Democratic Kampuchea. The same goes for forest exploitation.

On these issues, Prince Kromluong and myself have held many sessions of talks with others, be it UNTAC or various countries, appealing for urgent financial assistance. This is because if the socio-economic stability is lost, this will certainly affect political stability. These are brief reports concerning the financial and state budget issues.

Concerning agriculture, I would like to inform you that so far, the rainfall in many areas can be considered better than the previous year. However, a number of areas still have not received enough rain to start plowing or planting. Therefore, in the future attention should be paid to some areas where preparations should be made for continuing work following the planting of floating rice. The majority of areas for this type of rice have already been planted; it is already too late now. Only a small number of areas remain where efforts should be continued.

Furthermore, some intensive rice has already been planted in some areas where attention should be paid to providing chemical fertilizers and insecticides. There are two crops in a season. This rice will be harvested by the end of August after which transplanting will start. If no fertilizers are provided to these areas, there will be problems with the yield at the end of year. The issue to be discussed—this problem occurred in the past—is that of fertilizers. Currently there are 18,500 tonnes; another 18,000 tonnes are to arrive through the Asian Development Bank. The other day, the government was faced with a problem of making a decision whether to sell to the people for cash or on credit. Earlier UNTAC did not agree with the sale on credit to the people; it preferred direct sale with the cash saved for the new government.

And now this new government, albeit provisional, has been set up ahead of schedule in July; it was scheduled in August-September. Excellencies Sam Rangsi and Cham Prasit are renegotiating with UNTAC; at present, we do not know what stage the negotiations are in. Earlier, fertilizers were to be sold and the money kept for the new government. Now the government agrees to borrow and sell this fertilizer on credit to the people. Not more than 50 percent of our compatriots have enough money in their hands to buy this. The remainder of the people will have to buy with 30, 50, or 70 percent on credit; in some places [words indistinct].

Besides, as shipments of imported insecticides have arrived one after the other, the government has also focussed its attention on the environmental issue; otherwise Cambodia will become an experimental ground for the use of insecticides. Our people, if they find an insecticide effective, will continue to use it without thinking about the poison's adverse consequences for human life, animals, or soil. That being the case, the Agriculture and Environment Ministries are asked to pay attention to the issue of pollution and biological impairment.

Concerning the issue of rice seeds, we have some 300 metric tons of the seeds in stock now. Also the government has advised the Finance and Agriculture Ministries to pool some funds to buy more rice seeds because the 300 metric tons of rice seeds would be insufficient if flooding or drought occurred in some areas. We will not immobilize the funds for a long time because we can sell the unused stored rice seeds, then use the money from the sale to buy new rice seeds for further stocks. Also the Agriculture Ministry has already planned a collective rice saplings nursery in preparation for coping with natural catastrophes, such as drought which usually occurs at the end of July or the beginning of August. If drought affects an area, the Agriculture Ministry will use the stored rice seeds to set up a collective rice saplings nursery, then rice saplings from the nursery will be sent to the drought-hit area.

The Agriculture Ministry also needs 200,000 liters of fuel for water pumps which will be used to help farmers in dry seasons. The other day, I asked the Agriculture Ministry to provide a report on the stock of more than 1 million liters of fuel that the former State of Cambodia government allocated to the ministry a few months ago. If the fuel has not yet been used up, the ministry is asked to make further use of it. However, if the fuel is out of stock, the government still has about 8,000 metric tons of fuel in stock that can be used for [words indistinct].

Moreover, the Agriculture Ministry has made a request that taxes on farming equipment be exempted or reduced. The government has asked the Agriculture Ministry to join the Finance Ministry to establish a list of the items on which taxes will be exempted or reduced, this is because some equipment, such as a water pump motor can be used as a boat engine or generator as well.

Another issue raised by the Agriculture Ministry as well as various cities and provinces is the conflict over farmland ownership that has hindered agricultural production activities in this rainy season. On this issue, the government, led by Prince Kromluong and I, has already issued a circular in order to maintain (?stability) in the ownership problem. This is to prevent this person from misappropriating that person's land because this can trigger conflict among the people and lead to murder, as was the case in (?Koh Kong) Province in the recent past.

As for the forest issue, measures should be taken immediately to curb and crack down on illegal exploitation and unauthorized exports of logs. The Agriculture, Interior and National Security, and Defense Ministries have been asked to join hands to enact those measures. Moreover, I and the government are very happy because your Prince Head of State will declare open and participate in the reforestation day in the near future. The government and the Agriculture Ministry are effectively promoting the event and have required logging companies to replant saplings in keeping with the prince's advice. This is because a felled tree can damage many others and if the tree is not replanted, adverse consequences will arise in the future.

Concerning the fishing issue, I would like to inform you that the pressing problem at present is the protection of fish, especially young Pra fish during the prohibited fishing season. For the past 20 years, when they have reached Arei Khsat area, young Pra fish have flowed into the Tonle Sap lake and small rivers. But now as the level of water in the Tonle Sap lake and in various small rivers is low, young Pra fish cannot totally flow into the lake or rivers. So some of the young fish have entered the Tonle Sap lake while others are sent down to the lower part of Sarika Keo area and the border with Vietnam. Eventually they die. However, the government has ordered the Agriculture, Defense, and Interior and National Security Ministries to cooperate with one another to deal with anarchic catching of young Pra fish in the upper part of the Arei Khsat area. This constitutes a danger and is a serious fishing offense that needs to be acted on urgently.

On the issue of rubber, management of rubber exploitation should be technically streamlined and the problem of salaries and rice for rubber plantation workers as well as the anarchic management of rubber should be effectively solved [words indistinct]. Moreover, we will strive to consider the possibilities to promote the production of rubber-based goods. This step is very important since it will raise prices of raw rubber, create jobs, and introduce new technology to our country.

This is all for your information.

## PNGC Cochairmen Meet To Discuss 'Urgent Task'

*BK0907115093 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 9 Jul 93*

[Text] On the afternoon of 8 July, the cochairmen of the Provisional National Government of Cambodia [PNGC], Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, held a meeting at the cabinet's office to discuss an urgent task.

Attending the meeting were their excellencies the ministers from the Public Works, Public Health, Justice, Environment, Transport, and Defense, Interior, and Security Ministries, and the Phnom Penh Municipal Committee.

After Prince Kromluong Norodom Ranariddh declared the opening of the meeting, H.E. Hun Sen made a speech stressing that the problems of public order, health, gambling, and anarchy in Phnom Penh are immediate and urgent issues that the PNGC must resolve so as to maintain public security, social stability, and the environment.

## UN Trooper Injured in Ambush, 4 Hurt in Accident

*BK0907124693 Hong Kong AFP in English 1229 GMT 9 Jul 93*

[Text] PHNOM PENH, July 9 (AFP)—A Uruguayan and four Indonesian U.N. peacekeepers were injured in two separate incidents in north and northeastern Cambodia, a U.N. spokesman said Friday.

A Uruguayan officer was hit in the leg when a 12-man U.N. reconnaissance patrol came under fire from unidentified gunmen in northeastern Kratie Province early Friday, spokesman Eric Falt said. The Uruguayan soldiers returned fire and the attackers fled, Falt said.

The U.N. forces suspended movement along the road, where the attack occurred. The road runs east from Kratie provincial town to the Vietnamese border, he said.

Meanwhile, a group of Indonesian soldiers and U.N. military observers travelling in an armoured personnel carrier hit an anti-tank mine in northern Kompong Thom Province also early Friday, Falt said. Four Indonesians were slightly injured, he said.

The group was driving along the heavily disputed National Route 6, about 30 kilometers (18 miles) northwest of Kompong Thom provincial town, when they hit the mine, he said.

## New General Staff Deputy Chiefs Thank Sihanouk

*BK1007135393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 10 Jul 93*

[Petition of General Staff deputy chiefs to Prince Norodom Sihanouk, Cambodian head of state and Supreme Commander of the Cambodian National Armed Forces; dated 5 Jul—read by announcer]

[Text] Seeing the decree dated 5 July 1993 issued by Your Highness Samdech appointing all of us whose names appear below:

1. General Nhoek Bunthai,
2. Gen. Pol Saroeun,
3. Gen. Pan Thai,
4. Gen. Meas Sophea,
5. Gen. Khan Savoeun,
6. Lieutenant General Men Bunthan,
7. Lt. Gen. Li Senghong,

As deputy chiefs of the General Staff of the Cambodian National Armed Forces, we are extremely moved and happy with the elevated positions. We would like to be permitted to express our deepest thanks to Your Highness for the bestowal on all of us. We are determined to follow Your Prince Father until the end of our lives in the search for peace, national reconciliation, and national unity and in developing the country toward prosperity and glory as in the Sangkum Reas Niyum era.

May Your Highness Samdech and the princess consort enjoy the best of health and longevity so you can remain as the cool shade for your subjects forever.

[Dated] Phnom Penh, 5 July 1993.
[Signed] Gen. Nhoek Bunthai, Gen. Pol Saroeun, Gen. Pan Thai, Gen. Meas Sophea, Gen. Khan Savoeun, Lt. Gen. Men Bunthan, and Lt. Gen. Li Senghong.

## Indonesia

### Arianespace Chosen To Launch Palapa C-1 Satellite

*BK1007134093 Jakarta THE INDONESIA TIMES in English 28 Jun 93 p 3*

[By our reporter]

[Text] P.T. [Limited Company] Satelindo has chosen Arianespace, a company that produce of [as published] Ariane IV, launcher of the first C generation of Palapa Satellite.

P.T. Satelindo President Director Iwa Sewaka said here Friday night that the tender for the supply of the launching rocket was made by P.T. Telekomunikasi Indonesia on February 3 in a Request For Proposal comprising administration and technical requirements.

Seen from the technical point of view, the launcher should be able to orbit Palapa C on a condition that the satellite's energy will be sufficient for 14 years of operation.

He added that such a requirement is based on the applied technology at present. Now, nickel-hydrogen (Ni-H2) operational battery could be effective for 20 years. Based on operation of Palapa A and Palapa B, satellites could operate longer than their age requirements. "The average age of 14 years will be beneficial because the satellite will operate longer," Iwa Sewaka said.

Rocket technology which is used by Arianespace had already launched hundreds of satellites to their orbit. If Ariane IV used three stage rocket while Atlas IIA use two stage rocket. [sentence as published] Iwa Sewaka said that there is no technological problem to choose Ariane IV and Atlas IIA. The matters that influence the choice are their level of advantage, satellite's age and total cost.

According to Iwa Sewaka, the Request For Proposal was sent to three rocket producers General Dynamics (Atlas IIA), Arianespace (Ariane IV), and China Great Wall Industries Corp. (Long March 111).

Two companies, General Dynamics and Arianespace gave their proposals, but China Great Wall officially retreated.

He said that evaluation was made based on various aspects, namely financing, technique, and advantage. Two consultant teams were assigned to assist the evaluation. They are Satel Conseil from France and Comsat from the United States.

With the choice, all steps for the launching of Palapa C-1 in 1995 will be in accordance with the schedule. Iwa added that for the purpose, some programs should be integrated among Master Control Station, the supply of Augmented Master Control Station, Palapa C-1 Satellite, and the launcher. All the programs will be completed before August 1995.

### Asylum Seekers Reject Government Assurances

*BK1107083793 Jakarta THE JAKARTA POST in English 29 Jun 93 p 2*

[Excerpt] Jakarta (JP)—Three East Timorese, holed up in the Swedish Embassy since Wednesday, are refusing to budge on their demand for safe passage out of the country and warn they are prepared to sit it out for as long as necessary.

Their mediator, human rights lawyer H.J.C. Princen, said yesterday that the three men are refusing to accept assurances from the Indonesian authorities that they will not be arrested or prosecuted if they leave the embassy.

"There are no signs that the men will go out of the embassy in the near future and in my position as mediator, I find it difficult to convince them of the assurances," Princen told THE JAKARTA POST.

Earlier indications that the East Timorese would relent on their demand were dashed in the latest round of negotiations yesterday morning involving Princen, representatives of the Indonesian Government and the Swedish Embassy.

The East Timorese had earlier demanded for a political asylum from the Sweden.

When this request was turned down, they switched their demand for safe passage out of Indonesia.

Indonesian and Swedish Embassy officials have rejected the demand.

Princen said the UN High Commission for Refugees has sent a letter to the Swedish Charge d'affaires Anders Stohr urging the East Timorese youths to accept the Indonesian authorities' assurances.

The men refused to believe in the existence of the letter and stressed that they were prepared to sit it out at the Embassy until their demands are met, he said.

The men are identified as Florencio Anunciacao Fernandez, Jose Manuel de Oliveria Sousa and Profirio da Costa Oliveria.

They have also asked for a Catholic priest to lead a mass for them in the embassy Princen said, adding that he has found one who is willing conduct the service.

Princen, who has been mediating for the East Timorese since last Wednesday, said he was not giving up hope.

He said one possible solution would be if a foreign country would be willing to meet their demand.

Meanwhile, Portugal says it is prepared to take in the three East Timorese, according to a report from Lisbon by REUTERS news agency. [passage omitted]

### Editorial Evaluates Vienna Human Rights Conference

*BK1107090193 Jakarta THE JAKARTA POST in English 28 Jun 93 p 4*

[Editorial: "Focus on Human Rights"]

[Text] The much advertised Vienna conference on human rights has come to a close. After two weeks of often heated, sometimes bitter debate the World Conference on Human Rights—the second of its kind to be held in the past 25 years—managed on Friday evening to put out a formal document: the "Vienna Declaration and Program of Action" on human rights. The 32-page document, as the official text states, "reaffirms the solemn commitment of all states to fulfill their obligations to promote universal respect for, and observation and protection of, all human rights and fundamental freedoms for all..."

The document says that "All human rights are universal, indivisible and inter-dependent and inter-related. The international community must treat human rights globally in a fair and equal manner, on the same footing, and with equal emphasis. While the significance of national and regional particularities and various historical, cultural and religious backgrounds must be borne in mind, it is the duty of states ... to promote and protect all human rights and fundamental freedoms."

Comforting words indeed, especially since, as the document says, their protection and promotion "is the first responsibility of governments." Furthermore, it is recognized that democracy, development and respect for human rights are interdependent and mutually reinforcing and should be universal and conducted without conditions attached.

And yet it surprises no one that, to many, the just concluded conference has turned out to be a great disappointment. As representatives of the more than 1,000 non-governmental organizations (NGOs) gathered in the Austrian capital were reported to have said—the declaration is considered vague, long on words and short on action. The most obvious reason is that no agreement could be reached on the proper mechanism to insure that individual countries will practice the principles that are laid down in the declaration.

Specifically, the controversial proposal, supported mainly by the industrial countries of the West and Japan, to set up a human rights commissioner to probe abuses and report countries to the United Nations Security Council, did not weather the opposition of the many Third World countries that based their objections to such intervention on a variety of reasons.

The delicate issue was shelved to be referred to the next session of the UN General Assembly. It is clear, however, that without a properly empowered supervising mechanism, there is little the United Nations, as a world-encompassing body, can do to force compliance to the Vienna declaration.

Was the Vienna conference a flop? Not really. Failings notwithstanding, there was much to justify the hopes that accompanied the Vienna meeting even before it opened on June 14. As UN Secretary-General Butrus Butrus-Ghali remarked in his opening statement, the preparations for the conference had gone hand-in-hand with an impressive acceleration of the course of history. Entire peoples were speaking out, reflecting a growing commitment to doing away with alienation and totalitarianism.

For the first time ever, non-governmental organizations were allowed to get closely involved in the decision-making process on a world scale. Clearly, a tide of awareness of the importance of democratization and respect for basic human rights is sweeping the globe. It is of course not very likely—or even desirable—that it will ever sweep away the world's cultural or social distinctions. But eventually all of mankind—each person perhaps in his or her own way and time—will find that it is gainful to accommodate the overall aspiration for a recognition of basic human rights.

### Forest Management Agreement Signed With Iran

*BK1107100993 Jakarta THE INDONESIA TIMES in English 28 Jun 93 p 8*

[Text] In the spirit of the Nonaligned Movement (NAM) and South-South Cooperation, Indonesia and Iran signed here last weekend an agreement to increase cooperation in the field of forest management.

The agreement is steps to the memorandum of understanding (MOU) which was signed previously in Tehran on November 25, 1992.

Sugeng Notosaputra, secretary general of the Ministry of Forestry, signed the agreement (minutes of meeting) for Indonesia and Naser Moghadasi [name as published], senior advisor of the Forest and Rangeland Organization, for Iran.

The event was witnessed by Forestry Minister Jamaluddin Suryohadikusumo and the ambassador of Iran to Indonesia, Seyyed Asghar Qoreyshi.

The agreement stated that the two countries would increase and intensify cooperation in forest management, exchange of views, information, technology, expertise, and to promote activity for rehabilitation of barred soils, including joint researches. The two countries would exchange views on various matters to step up their cooperation.

The Iranian side said to have shown many interests in management of mangrove small scale industries, R and D [research and development], training, wood products, social forestry, process of afforestation, watershed arrangements, including pulp and paper and forest industries.

Bambang Sukartiko, chief Bureau of Foreign Relations and Investment of the Forestry Ministry, told the press that Iran would also buy Indonesian forest manufactured products such as plywood and other kind of timber products.

Iran showed interest on possibility of investment in logging concession which popularly called HPH (forest concessionnaries). The ministry's chief bureau of foreign relations said that Iran would be allowed to deal with HPH activities provided that is Iranian ready to process their timber here and not to export or bring them to be processed in Iran. [sentence as published]

He said the cooperation would involve many private sectors in action and government would direct them.

## Editorial Welcomes New Loans From Creditor Group

*BK1107143993 Jakarta THE JAKARTA POST in English 2 Jul 93 p 4*

[Editorial: "New Loans Secured"]

[Text] Judged from the conventional Western concept of news, the annual meeting, between the Indonesian government and its creditor group in Paris, which ended on Wednesday, was an uneventful one. Indonesia, as strongly expected, got what it asked for from the creditors as it had always done between the late 1960s and 1991 under the previous consortium, called the Inter-Governmental Group on Indonesia [IGGI]. The borrowing process also has gone very smoothly under the new creditor consortium, the Consultative Group for Indonesia (CGI), which replaced IGGI last year.

The real news, however, does not lie in the post-meeting press release, the likes of which usually sugar-coat the blunt and, often bitter, elements of the loan negotiations taking place. Instead, the crux of the matter is in what happened behind closed doors during the two-day meeting, when Indonesia—already one of the largest debtors in the developing world with more than US$78 billion owed—strived to convince its creditors to provide new loans.

To be sure, the process of convincing was by no means an easy one as many of the creditors themselves are grappling with increasingly limited resources and are coping with competing demands for their funds from other parts of the world which are often much worse-off than Indonesia itself. As a borrower, even though a sovereign one, the government had to impress its creditors with a track-record of efficient and effective use of the loans it had received to show that the servicing and repayment of those and still more loans would be possible.

The composition of the creditor group helps a great deal because it consists of such highly reputable institutions as the World Bank, the International Monetary Fund, the Asian Development Bank and such economic powers as the U.S., Japan, Germany, France, Canada and Britain. The composition is, indeed, a harmonious combination for a sovereign borrower because the strictly economic thinking of the financial institutions can be complemented by the political and economic views of the government creditors. It is understandable that the loan commitments by government creditors are not always fully influenced by economic rationale but also by the nature of their relationships with the Indonesian Government.

The annual loan negotiations are further facilitated by the annual report on the Indonesian economy by the World Bank. The comprehensive report, usually prepared by a strong team of experts fully appraised of the Indonesian economic condition, serves as a feasibility study on the viability of the new loans asked for by the government. That the Indonesian Government has always gained an unqualified opinion from the World Bank, which acts as the "auditor" for the other creditor members, is the fruit of its hard work and, sometimes, bold moves taken at the sacrifice of the Indonesian people to strengthen the longterm foundation of the economy.

Obviously, there are often different views among the government and its creditors, notably the World Bank, regarding the pace at which Indonesia should implement the policy recommendations stipulated in the World Bank's annual report. This is entirely understandable because the government also should take into account the absorption capacity of the domestic political situation.

The most fundamental thing for the creditors seems to be the perseverance and consistency with which the Indonesian government has been pursuing prudent macro-economic policies and phasing in its reform measures. The CGI also seemed to be pleased by the Indonesian Government's full awareness of the major economic challenges ahead and of the kind of policy agenda that should be taken to cope with those challenges.

The full endorsement by CGI of Indonesia's economic strategy and policies was reflected in the group's pledge of US$5.11 billion in new loans and grants, up to four percent from last year. But the story does not end here. The process of the next annual loan negotiations has already begun, with the government set to tackle the task of fulfilling the policy agenda agreed upon at the just concluded meeting.

## ABRI Faction To Investigate Case of Students

*BK1207102393 Jakarta SUARA PEMBARUAN in Indonesian 25 Jun 93 pp 1, 20*

[Excerpts] Jakarta 25 Jun—The ABRI [Armed Forces of the Republic of Indonesia] faction of the DPR [People's Representative Assembly] has promised to solve the issue of what has to be called "the dawn bloodbath at ISTN [National Institute of Science and Technology]." The detention of 50 students from ISTN—located at Bhumi Srengseng, South Jakarta—at 0303 West Indonesian time [2003 GMT] (24/6) was reported to the ABRI faction at Parliament building in Senayan the following day.

Major General Abu Hartono, chairman of the ABRI faction, met 16 students that came to Senayan. They represented about 100 ISTN students. He said his faction is willing to assist in settling the problem of the detention of students that was reported to him.

He said that his faction would immediately contact officials at the Jakarta Metropolitan District Police and Jakarta Area Military Command, as well as City Military Garrison. He also expressed the hope that the head of Jakarta Regional Education and Culture Department, the coordinator of Private Institutions of Higher Learning III, the board members of Cikini Educational Foundation, and ISTN will give their cooperation in an effort to resolve the crisis.

About 100 students wearing ISTN paraphernalia and carrying posters came to the Parliament building and demanded the release of their friends, said to have been detained by members of the security forces.

A report on the 24 June 1993 incident written in chronological order was handed to Major General Abu Hartono. He was in the company of three other members of the faction. They were Brigadier General Mulyono and Brigadier General Siahaan [names as published]. [passage omitted]

Responding to the report that was handed over by the students, Maj. Gen. Abu Hartono said that he will investigate the incident by contacting those who are involved in the crisis. He said "the action taken by the military might be due to miscommunications about what had been reported to the authorities in connection with previous incidents," adding that he deeply regretted the incident.

He said that the faction will evaluate the latest incident proportionately and promised that disciplinary action will be taken against any military personnel that had overreacted. However, he said he would have to check with other interested parties before drawing any conclusions. [passage omitted]

## Central Bank Report Says Economy May Grow

*BK1107121593 Jakarta THE JAKARTA POST in English 2 Jul 93 p 1*

[Text] Jakarta (JP)—Bank Indonesia, the Central Bank, foresees that the growth of the country's economy, spurred by increased exports and a relaxation in the money supply, will increase from 6.1 percent last year to seven percent this year.

A Central Bank director, Paul Sutopo, told a press conference here yesterday that this year's growth will be induced by increasing foreign demand for Indonesian exports of non-oil products and by a rebound in investment activities after slow growth in the last three years.

He explained that the growth of the world economy will likely increase to an average of 2.3 percent this year from 0.9 percent last year, which will in turn help boost the global trade volume by 6.5 percent this year.

The world trade volume increased by 4.5 percent last year.

Sutopo said last year's economic growth in Indonesia was supported mainly by the 7.7 percent expansion of the country's non- oil sectors.

"The oil and gas sector decreased by 0.8 percent last year," Sutopo said in briefing reporters on the Central Bank's annual report.

The country's economy grew by 7.4 percent in 1989, 7.1 percent in 1990 and 6.6 percent in 1991.

Unlike the previous years, the Central Bank included a future economic outlook for the first time in its annual report this year. However, because this year's report is issued about five months sooner than usual, it does not contain its own financial report, which Sutopo said is still being audited by the Government Audit Agency.

Sutopo said that the higher growth of exports over imports and increased inflow of foreign investment will help reduce this year's current account deficit from last year's level of about US$2.9 billion.

The Central Bank's report said that Indonesia's exports are expected to increase by 27.8 percent this year, while imports are projected to rise 12.9 percent.

According to the Central Bureau of Statistics, the country's exports increased by 15.1 percent to $33.96 billion last year from $29.14 billion in 1991, while its imports surged by 20.9 percent to $17.28 billion from $25.87 billion.

"Because the inflow of investment is also expected to increase, our balance of payment surplus, which rose from $1 billion in fiscal 1991/92 to $1.4 billion in 1992/93, is expected to further increase this fiscal year," Sutopo said.

He said inflation, which fell from 9.8 percent in 1991 to 4.9 percent in 1992, will likely increase to slightly less than 10 percent this year.

Inflation during the first five months of this year alone reached 6.73 percent.

Sutopo said that in order to support economic development, Bank Indonesia will continue to ease its monetary policy to encourage the expansion of bank lending this year.

"With the significant progress already made in the process of bank consolidation, expansion of bank lending will accelerate slightly, which will in turn support greater investment and production," he said. "Given this acceleration, the domestic liquidity—which is generally called M2—is expected to grow by a moderate rate of around 20 percent this fiscal year."

He said the domestic liquidity expanded by 26 percent in 1990/91 and by 24.2 percent in 1991/92.

In terms of calender year, according to the Central Bank's weekly report, the domestic liquidity, comprising currencies, demand deposits and quasi money, increased by 10.2 percent from Rp [Rupiah] 84.6 trillion as of the end of 1990 to Rp 93.32 trillion as of the end of 1991, and by 27.5 percent to 119.05 trillion as of the end of 1992. The money supply further increased by 3.4 percent to Rp 123.16 trillion as of March.

"Even though this fiscal year's expansion of the domestic liquidity will be slower than the previous two years, the monetary condition will be easier because interest rates will be lower and the circulation of funds originating from domestic sources will be larger than those derived from foreign sources," Sutopo said.

## Copyright Law Reduces Number of Violations

*BK1107122893 Jakarta THE JAKARTA POST in English 2 Jul 93 p 2*

[Text] Jakarta (JP)—The number of copyright violations in Indonesia has declined significantly since the introduction of the new and more comprehensive Copyright Law in 1987, an official says.

Director General of Copyrights, Patents and Trademarks Nico Kamsil told a hearing with the House of Representatives yesterday that there had been fewer cases of copyright violations involving books, audio recordings and computer programs in recent years.

He based his assertion on figures published by various industrial associations.

The Indonesian Publishers's Association said there were three cases of book piracy last year compared to seven cases in 1990.

The Indonesian Computer Software Association reported that in 1991-1992 the sales of original computer programs were US$2-$3 million (Rp 4.17-Rp 6.26 billion), 10 times higher than 1989's figure.

The Indonesian Invention Foundation reported that it distributed royalties of Rp [Rupiah] 478.47 million ($229,154) to 404 musicians and songwriters. The amount doubles the royalties paid a year before.

The Indonesian Recording Industry Association reported that "only" 30 percent of circulating audio cassettes in 1992 were pirated ones. Nico did not mention previous figures.

Nico told the House's Commission III [Roman numeral three] on law his office received 6,208 applications for patent rights between August 1, 1991 and May 31 this year. The majority of these 6,052 or 98 percent, came from outside the country.

Patent rights for Indonesians includes the two given to President Suharto for the use of pumice as building material.

Nico said so far 43 patent consultants are registered with his office but only 26 of them have been active.

To become a consultant is very demanding because one has to know English and technical terms and be able to translate them into legal terms, he said.

The office in cooperation with the University of Indonesia has run a training class for potential patent consultants and so far has graduated 62 trainees.

To acquire a patent right an applicant has to wait three to five years.

On trademark applications Nico said it received 4,566 in the two months of April and May.

## Official Says No Production of Nuclear Weapons

*BK1107124693 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 Jul 93*

[Text] Indonesia will not produce nuclear weapons, but will use its technology for the welfare of the people. Nuclear technology will be used in civilian areas such as medicine, industry, and agriculture.

Arifin Kustino, head of Radiation Safety for the National Atomic Agency (BATAN), spoke before participants of a one-day seminar on nuclear science and technology in Ujungpandang and said Indonesia is committed to a national deal that it would not produce nuclear weapons.

He said that most modern hospitals are using radioactive [preceding word in English] substances [zat] for medical diagnosis and therapy while nuclear technology is applied to agricultural and livestock fields. The technology will be developed further for use in industry.

The first nuclear power plant will be constructed on Java Island to ensure an adequate supply of electricity to local residents.

## Laos

### UNDP Launches Program to Improve Education

*BK1007115793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 10 Jul 93*

[Text] A new project for improving education opportunities for ethnic minorities designed by the United Nations Development Program [UNDP] was signed at the Ministry of Education by Mrs. Amerah Haq-Perera, UNDP resident representative in Laos, and Alounkeo Kittikhoun, director of the International Relations Department of the Foreign Ministry.

The project will be launched for four years in Oudomsai and Sekong Provinces. It is aimed at developing and providing informal education training for ethnic people. The objective of this project is not only just to increase the level of literacy among the people but also to allow ethnic minorities to raise and improve their socioeconomic position and health situation.

The Informal Education Department of the Ministry of Education is in charge of carrying out this project with the collaboration and cooperation of other ministries and organizations concerned. A community education development center will be set up in each village and educational materials suitable to local needs and conditions will be provided. In the next four-year period, if the outcome of this educational development project becomes effective, similar programs will be devised and promoted in other localities.

The project will be funded with $660,000 from the (?regional UNDP) office, $76,000 from UNESCO, and 15.8 million kips from the Lao Government.

### New SRV Envoy Meets Nouhak Phoumsavan

*BK1207082193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Jul 93*

[Text] This morning at the Presidential Palace, President Nouhak Phoumsavan of the Lao People's Democratic Republic [LPDR] received the credentials of Bui Van Thanh, newly-designated ambassador of the Socialist Republic of Vietnam to Laos.

During the meeting, Nouhak Phoumsavan congratulated Bui Van Thanh for his appointment as ambassador to Laos by the SRV party and state. While the relations of friendship and cooperation in every field between Laos and Vietnam has been gradually improved and developed, President Nouhak Phoumsavan wished the new envoy success in his assignment and to actively contribute to the consolidation of the special solidarity and all-round cooperation between the two countries, as Bui Van Thanh has been assigned to Laos before.

On this occasion, the Lao president took an opportunity to extend through the new envoy his regards and best wishes to the SRV party and state leaders.

Bui Van Thanh said with confidence that he will fulfil all his tasks in a manner deserving of the confidence entrusted to him by SRV party and state and hopes he will receive cooperation from the Laos sectors concerned.

### Party-State School Delegation Leaves for SRV

*BK0907142493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Jul 93*

[Text] At noon on 8 July, a high-level Lao party-state school delegation headed by Sileua Bounkham, its director, left for a visit to the SRV at the invitation of Nguyen Duc Linh, director of the SRV National Political Institute.

During the visit, the Lao delegation will hold consultations and exchange lessons with the Vietnamese side on various issues that will become a basis for the further development and strengthening the relations between the Lao and Vietnamese institutes. The delegation will also sign a cooperation agreement with the Vietnamese side on cadre training for the 1994-95 period.

### Minister Greets Cambodian Counterparts

*BK0907041093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Jul 93*

[Telegram of congratulations from His Excellency Lieutenant General Choummali Sai-gnason, Lao minister of national defense, to Samdech Kromluong Norodom Ranariddh and H.E. Hun Sen, ministers of national defense of Cambodia, on the occasion of their appointments to the posts—dated 5 July]

[Text] Respected Samdech Kromluong and Your Excellency, on behalf of the Ministry of National Defense of the Lao People's Democratic Republic [LPDR] and in my own name, I would like to extend my greetings and warm congratulations to Samdech Kromluong and Your Excellency on your being appointed to share the post of minister of national defense of the national provisional government of Cambodia.

The LPDR's national defense ministry has always desired to improve and expand the traditional relations of friendship between the peoples of the two countries, especially between the two Armies of Laos and Cambodia for the sake of peace, stability, and cooperation between our two countries.

May Samdech Kromluang and Your Excellency have good health and attain new and greater accomplishments in your duties and responsibilities.

## Philippines

### Vice President Estrada To Visit U.S. 16-18 Jul

*HK1207030093 Manila MANILA STANDARD in English 11 Jul 93 p 2*

[Text] The country's top crimebuster is also an "ambassador of goodwill." Vice President Joseph Estrada has been assigned by President Ramos to embark on a goodwill mission to the United States in a bid to improve the Philippines' poor image in that country.

The President has authorized the U.S. trip of Estrada, which will be sponsored by the Beta Sigma Federation, seeing it as an opportunity to promote the country's trade, investments and tourism potentials. Estrada will be the keynote speaker of the Beta Sigma's second international convention on July 16 to 18 in San Francisco, California. The vice president had only recently arrived from the U.S., where he also went on a goodwill mission to promote the Philippines among Filipino-Americans.

The President earlier, expressed concern over the negative image of the Philippines in the U.S., in which the American media had portrayed a typical Filipino as "a starving four-year old without any clothes on standing on top of Smokey Mountain." The government has hired a New-York based public relations firm to help erase this image and encourage investments to the country.

Estrada told the President that he will help explain the administration's goals and visions before Filipino-Americans during his trip to seek their assistance on Mr. Ramos' economic programs. This means that Estrada will have to explain the concept of Philippines 2000, the administration's battlecry and strategy to attain for the Philippines a status of a newly industrializing country by the year 2000.

Enrique Agana, Beta Sigma's president, had informed the President of his organization's desire to help in the economic uplift of the Philippines by promoting the country's tourism industry and tapping foreign investors. The Beta Sigma fraternity is composed mostly of alumni of the University of the Philippines.

### Armed Forces Ordered To Neutralize Private Armies

*HK1207032093 Quezon City MALAYA in English 12 Jul 93 p 1*

[Text] President Ramos ordered yesterday Interior Secretary Rafael Alunan III to dismantle private armies following complaints from the Kabisig People's Movement that armed groups have been harassing members of non-governmental organizations. Participants in the national assembly of the movement over the weekend said that private armies threaten the peace and order situation in the countryside and are scaring away investors and tourists.

Ramos ordered the DILG [Department of Interior and Local Government], the Philippine National Police [PNP] and the Armed Forces to neutralize the armed groups, noting that they are one of the remaining obstacles to peace and economic recovery.

Ramos also directed Alunan to set up training and capability- building program for local government officials, including mechanisms to ensure that training and technology reach the barangay level. Ramos ordered Alunan to institutionalize the NGO's role in the local "sanggunians." [councils]

The PNP and the AFP [Armed Forces of the Philippines] have identified more than 50 private armed groups in various parts of the country, mostly in Mindanao. Intelligence reports showed that these groups possess high-powered firearms, mostly brought into the country by smugglers and gunrunners.

### NDF Says Government Agrees To Hold Talks Abroad

*HK0907122293 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Jul 93*

[Text] Rodolfo Salas, alias Commander Bilog, former chairman of the Communist Party of the Philippines, has confirmed that the Ramos government has agreed to hold the second round of exploratory and formal peace talks with the National Democratic Front [NDF] outside the country.

In an interview with DZRH, Salas said that although the government and NDF have already agreed to hold the talks outside the country, they have not agreed where in the Asia-Pacific region will the talks be held.

[Begin Salas recording] The Ramos administration has agreed to hold the second round of talks outside the country. The only issue left is the venue: Where, abroad, will it be held? [end recording]

Salas also said that the NDF, through its official negotiator, Father Luis Jalandoni, has proposed holding the talks in Japan, but the Ramos administration prefers Hong Kong. Commander Bilog expressed the hope that the talks with the NDF, which serves as the coordinator of all revolutionary groups, will be fruitful, but he commented on the slow pace of the peace process.

## Thailand

### Paper Urges Support for Clinton's Summit Proposal

*BK1207111993 Bangkok THAI RAT in Thai 12 Jul 93 p 3*

[Editorial: "Do Not Turn Down Clinton's Proposal"]

[Text] U.S. President Clinton unveiled a completely new U.S. foreign trade stance when he announced during the summit meeting of Group of Seven in Tokyo the U.S.

desire for leaders of the 15 APEC [Asia Pacific Economic Cooperation] countries to convene a summit meeting in Seattle, Washington, under the chairmanship of the United States itself. The proposal has drawn much attention worldwide. At the initial stage, Thailand apparently disagrees with the U.S. move.

We would like to warn our leaders such as deputy prime ministers and ministers directly in charge of economy, finance, and international trade not to hurriedly come up with any premature reactions although Thailand might not agree with the idea of upgrading APEC into a trade grouping. President Clinton must have some reasons to justify such an maneuver. It will be a mistake for Thailand to refuse to attend the meeting or voice its opposition to the U.S. plan.

The total value of our exports last year was recorded at 900,000 million baht, 240,000 of which was earned from our exports to the Unites States. It is necessary that we cling to such a huge market. President Clinton is currently applying a significant strategy aimed at solving the problem of trade deficit with Japan and, at the same time, eliminating the latter's strong influence in Asia and Pacific. In so doing, the United States will shift its trade priority to this part of the world through upgrading APEC into an international trade grouping with common rules to be formulated in the future.

We must not behave narrowmindedly and follow the trend adopted by the other ASEAN member countries. Each nation has its own causes. However, it should be noted that President Clinton's call has gained full support from Singapore. Thailand must not tie itself to the common attitude of the Cairns agricultural exporting nations because the situation has not changed. If the Uruguay round of talks fails to conclude by the end of this year, Thailand and the other Cairns members might succeed in having their trade rules accepted and practiced by APEC.

APEC is not a small organization. Besides the six ASEAN countries, other APEC members include the United States, Canada, Japan, South Korea, China, Taiwan, Hong Kong, Australia, and New Zealand. It is quite certain that the United States will use APEC, a much bigger body in comparison to NAFTA, to arrange for the signing of a multilateral trade agreement to promote free trade, gain market accesses, and force Japan to open the country. APEC will become an important bargaining tool in dealing with the EC and other international trade organizations.

We recommend that Thailand should play an active role in persuading the other ASEAN member countries to attend the Seattle summit and take this opportunity to influence the meeting in formulating any trade rules. APEC has 15 members, six of them from ASEAN. This is quite an excellent opportunity for us.

## 'Nothing Much' to G-7 Summit

*BK1207100393 Bangkok THAI RAT in Thai 12 Jul 93 p 2*

[Column by Saengchai Sunthonwat: "The Result of the Meeting in Japan"]

[Excerpts] Finally, the summit meeting of the seven major industrialized nations, or the Group of Seven, has closed in Tokyo. The statement issued at the end of the meeting, in summary, emphasizes efforts to remedy the ailing economies of the world's three economic superpowers; namely, the United States, Germany, and Japan. It is anticipated that economic growth in these countries will in turn boost the world economy. [passage omitted]

As a matter of fact, the world is not as excited with the success of the summit meeting as is clamorously claimed by the seven nations. There was nothing much to it. Besides, nobody has ever pinned any hope on the meeting.

Developing countries such as Thailand, Malaysia, Indonesia, and others want to see the end of protectionist practices against their garment and textile products. No country is generous enough to give them more market access or reduce import duties on their products. Meanwhile, the United States continues to give out punishment by cutting the privileges of its trading partners if it believes that they have unfair trade practices.

In conclusion, it can be said that no matter how many more meetings are held, small nations will still remain in a difficult position.

## Ministry Explains U.S. Extension of GSP Privilege

*BK0907141893 Bangkok Voice of Free Asia in Thai 1030 GMT 9 Jul 93*

[Text] Referring to the reports carried by some newspapers on 8 July that the United States has cut the GSP [General System of Preferences] privilege for Thai goods and that the Foreign Ministry is unaware of this issue, the Foreign Ministry has the following facts to inform the general public:

The GSP program, supported by a U.S. legislation, granted special tax privileges to Thailand and other countries for a period of ten years from 4 July 1984 to 4 July 1993. The said legislation expired on 4 July. Earlier the U.S. Government submitted a draft bill on the extension of the program to the U.S. Congress for passage into law. However, the U.S. congress was busy with the deliberation of the draft budget bill and failed to pass the new law by 4 July. Pending the passage of the draft bill, the U.S. Government has adopted a temporary measure to impose the old import duty rates on imports from the countries under the GSP program which also includes Thailand.

## U.S. Said 'Pleased' With Crackdown on Piracy

*BK1007014193 Bangkok BANGKOK POST in English 10 Jul 93 p 22*

[Text] A senior Interior Ministry official said yesterday that the United States is pleased with Thailand's crackdown on audio and video tape piracy and could postpone a decision on imposing sanctions against the country.

Deputy Interior Permanent Secretary Chaiwat Hutacharoen gave this assessment after US Ambassador David Floyd Lambertson met Interior Minister Chawalit Yongchaiyut for half an hour yesterday.

Extending Washington's July 31 deadline for a decision on whether or not to impose sanctions against Thailand would only partly meet Thai objectives, however.

Commerce Minister Uthai Phimchaichon and Deputy Prime Minister Suphachai Phanitchaphak have said they wanted Thailand to be dropped from the US Trade Representative's "Priority Foreign Country" list of trading partners being watched most closely for unfair trade practices.

If Thailand is dropped from the list it would increase confidence among US importers that Thai exports will not be hit by sanctions.

The US ambassador to Thailand told Gen Chawalit that Washington understands the Thai Government's policy in cracking down on audio and videotape piracy and he is pleased with its development.

Sources said the ambassador also discussed the child labour problem and the laid off Thai Durable Textile Company workers.

Sources said Gen Chawalit and Mr Lambertson later met privately for ten minutes.

## Deputy PM May Visit U.S. for Trade Talks

*BK1207021593 Bangkok BANGKOK POST in English 12 Jul 93 p 26*

[Text] Deputy Prime Minister [PM] Suphachai Phanitchaphak may go to the United States before the end of this month for talks with US Trade Representative Micky Kantor on copyrights, pharmaceutical patents and other trade issues.

Thailand and the US are in dispute over the US claim that Thailand does not have sufficient patent protection over pharmaceutical products and that enforcement of Thai Copyright Law is not effective. The US has put Thailand on its Priority Foreign Country (PFC) list.

Under this Thailand may face retaliation in the form of cuts in tax concessions under the Generalised System of Preferences (GSP), or tariff increases at any time. However, the decision of the US is pending until July 31.

The Government House source said Mr Suphachai contacted Mr Kantor for the talks before July 31. He will explain to the US about what is deemed to be the progress made by the Thai government in dealing effectively with audio and video piracy.

He said Mr Suphachai also informed about the Copyright law BE 2521 amendment to expand the protection to computer software and performance and rental rights.

The US has demanded that Thailand include such protection in Thai Copyright Law. The expansion of such coverage will make the law comply with the standard of the negotiation under the Trade Related to Intellectual Properties of the General Agreement on Tariffs and Trade (GATT).

Under the dispute over the protection of pharmaceutical products, the dispute narrowed down to only the seven year pipeline protection—the protection of drugs already marketed elsewhere in the world but not yet in Thailand.

The source said the Thai government is likely to compromise over the case by allowing five years pipeline protection.

The source said it is expected that the US will delist Thailand from the PFC list but may hold on to a Priority Watch List—a list of countries whose performance the US monitors closely.

He said Mr Suphachai may bring other trade issues to the talks with the US, such as the US import quota of sugar, the US.anti-dumping and countervailing duty, the aviation rights, and the Treaty of Amity between Thailand and the US.

## Drug Patent Problem 'Lose-Lose' Situation

*BK1107041493 Bangkok THE SUNDAY POST in English 11 Jul 93 p 21*

[Text] Suffering a huge trade deficit, the United States of America is declaring war on the trade front against practically every country. Even developing countries including Thailand are not spared. The US is demanding intellectual rights protection worth billions of dollars in copyrights and patents. Against Thailand, it is pressuring for pharmaceutical protection.

For Thailand, it's a "lose-lose" situation. If Thailand resists, the losers could be Thai exporters whose annual exports to the US are worth about 200 billion baht. However, if the US with its Super 301 article in hands gets its way, the losers could be Thailand's impoverished peasants, Aids patients and perhaps all of its 55-million population. For the estimated 500,000 HIV carriers in this country, expensive and sometimes inaccessible Aids drugs may mean incalculable financial as well as population loss.

Already, the US was successful in pressuring Thailand to revise its drug patents bill to allow 20 years' protection for new drugs being granted patents after September last year. But the US is still not satisfied. It demands for the retroactive exclusive marketing rights for drugs under the so-called pipeline products—the drugs which are in the market but not yet in Thai market before September last year. This sends shiver to local health personnel and non-government organisations (NGOs) working on Aids.

Last week, the NGOs and the Thai exporters have been battling to get the government's attention. The NGOs tried to convince the government of the severe social impact if it decides for the seven-year pipeline protection while the exporters tried to point out the immediate business damage if the government decides otherwise.

It turned out no one has won a decisive victory as the Government-appointed International Trade Policy Committee decided to grant only five-year protection.

The first two years is for safety monitoring programme, which could be extended for the maximum of two more years—one year extension at a time—depending on a particular drug. The final year is for a bioequivalent study, to assess the efficacy of the generic drug. The committee is expected to submit its decision to the Cabinet for final deliberation this coming Tuesday. Although the committee's solution is seen as a compromise between the NGOs and the US demand, the country is unlikely to avoid an adverse impact.

Up to 881 medicines are under the laboratory tests and in the list of pipeline products for retroactive protection. Half of which are drugs for curing chronic diseases. Eighty eight others are for Aids remedy. Granted an exclusive right, US drug manufacturers could monopolise the market and set prices, naturally to maximise profits, cautioned the NGOs on public health.

If this proves to be true, the newly-invented drugs will be inaccessible for the majority of the population who live marginally, argued Dr Prawit Lisathaphonwong of Rural Doctors' Association. He cited the case of a medicine for liver fluke, priced at 78 baht when it first hit the local market but now it is only 12.50 baht under intense competition.

"Without competition, the price of medicine will certainly be high," he said. From his experience, Dr Prawit believes that the Commerce Ministry may not be able to control drug prices. "Ministry officials don't know about the cost and structure of drug products. So they won't be able to control their prices."

Expensive medicine, he argued, will eventually affect everybody who will have to pay higher medical care especially for anti-biotics. New infectious diseases always require newly-developed anti-biotics to be effective. Patients of chronic diseases such as heart disease, diabetes, high blood pressure and Aids in particular will have to spend a hefty sum for drugs.

He dismissed the notion that chronic diseases such as heart disease and high blood pressure occur only to the rich. The poor also suffer these diseases as well. Thus if the new drugs are expensive, they will not be accessible to the poor.

Jon Ungphakon of Access, an NGO counselling centre for HIV carriers, predicted that the retroactive protection clause could mean a horrendous future for the Aids situation. "At Sirirat Hospital where we provide counselling, we find out that most HIV positives and Aids patients are poor labourers."

So far, the situation has not reached a frightening stage as there are only about 4,000 full-blown Aids patients while about 500,000 HIV carriers remain healthy. But within the next four or five years, when these carriers eventually need medical treatment, the Government will have to swallow the bitter pill of astronomical expenses for Aids treatment which requires expensive drugs.

Presently, the Aids drug, AZT, costs about 38.50 baht a tablet. It is prescribed for five doses a day with an estimated cost of around 7,000 baht per month for a patient. This does not include the cost of drugs to treat other diseases such as tuberculosis, fungal infection, to which Aids patients are vulnerable when their immune system becomes weak. The cost of drugs for these "opportunistic" diseases is equally high.

Many are concerned that if new drugs for Aids treatment prove to be more effective, they will naturally cost more than the AZT under the marketing scheme.

Although the Public Health Ministry has allocated 139 million baht budget for Aids, only 52 million baht goes for the cost of medicine which covers only 10 per cent of the Aids patients.

"There is a wide gap between Aids patients in Bangkok and upcountry," Jon said, explaining that drug availability for Aids patients is still minimal in the rural areas, compared with those in Bangkok. In some cases, the drug is reserved for medical personnel rather than for patients.

NGOs working with rural Aids patients concurred. Chanwit Wohan, an NGO worker in Chiang Rai, said patients in his province have little access to AZT. In fact, they did not know they have the right to acquire drugs from the Health Ministry.

"If the Government bows to the US demand, it must make sure that it can absorb the future exorbitant expenses of the treatment for Aids patients," warned Jon.

"The consequence (for pipeline drug protection) may be that Aids patients from the poor or the middle class, won't be able to afford the best drugs available simply because they are too expensive."

The Public Health Ministry has estimated that each year the pipeline protection costs the country about 306-655 million baht. For example, if the Government agrees to grant three years of pipeline protection, it will have to spend about 5,100 million baht for the medical treatment of 10 per cent of Aids patients.

One Aids patient, who is not eligible for government's medical support, is desperate. Already, he has to spend about 7,000 baht out of his 8,000 bath salary for AZT drug.

"I would like to beg the Government to reduce the drug price," pleaded the patient who asked to be called So Chonwipu. "It would be excellent if there is a more effective drug, but I don't know how I can afford it since I already have nothing left at the current expense."

So, a company employee, admitted that he never requested reimbursement for the drug expense from his company simply because "they would know if I do. And if they knew, I would be fired," he said, choking with emotion.

So is a member of the Wednesday Friends, a support group among HIV positives and Aids patients whose members have been complaining about the high cost of drugs. According to one member, many had considered suicide since they could not afford the drug and yet are not eligible for free medication.

If a more effective Aids drug is invented, Dr Prawit cautioned, it will cost the country—under the amended drug patent law—over 100 billion baht for Aids patients and HIV carriers. And if an effective Aids vaccine becomes available, the cost would be incalculable because a large number of the population will need vaccination.

Dr Prawit admitted that a vaccine under the World Health Organisation (WHO) programme in cooperation with leading drug manufacturers may be invented and sold at a moderate price. But other manufacturers which have been conducting independent researches could come out with an effective vaccine before the WHO's. And the public are bound to be charged higher prices.

Dr Chiraphon Limphananon of Chulalongkon University's Faculty of Pharmacy suggested that the government should extract concession from the US to keep prices low for drugs used to treat contagious diseases such as Aids. Nevertheless, she is strongly opposed to link a safety measure for consumers with exclusive marketing rights in case of drugs.

The original concept of the two-year safety monitoring programme (SMP) which granted exclusive marketing rights for drug manufacturers was designed to monitor the effect of the drug on the public. Marketing competition is not allowed during the period. But the SMP has been used as a tool for product monopolisation for the so-called pipeline products.

In principle, it is agreeable to have two years of SMP with two more years for extension if needed. She disagreed, however, with designating the final year of the five-year pipeline protection for a bio-equivalent study. "In general, the study may take less than one year or it may be longer. It depends. This should be flexible."

Furthermore, Chiraphon believes that no matter what Thailand has done to meet the US demand, the US will not lift Thailand from the Priority Foreign Country (PFC) watch list. Neither will it stop to ask for more.

Chairperson of Drug Study Group Niyada Kiatyingungsuli agrees. "When we moved against the drug patents bill, we warned the government at the time that the US would not be satisfied and would ask for the pipeline protection. But they never listened. The Commerce Minister at that time (Amaret Sila-on) promised us that there wouldn't be a retroactive protection for pipeline products. And look at what has happened now," Niyada remarked cynically.

Next, the US is likely to demand a limit of the scope of compulsory licensing enforcement, as is the case with South Korea which is now facing US pressure for compulsory licensing issue after the pipeline protection was granted.

"We have learned from the South Korean experience of what we will encounter after this," added Dr Chiraphon.

The compulsory licensing is a measure of the Government to revoke patents if the licensees do not make the drug available in the market within three years after the patent is granted or four years after the date of application for the patent.

The US may push the Thai government not to revoke licence of the so-called "orphan" drugs which are drugs not widely used but must be available and not to revoke licence of manufacturers who go bankrupt. Moreover, Thai pharmacists have warned that the US may further put pressure for other demands which may totally ruin the drug system in this country. Those demands include the distribution of new drugs in general drug stores during the SMP period, and launching of new drugs which have not been tested in the country of origin.

The current safety measures stipulate that each new drug goes through the safety monitoring programme which requires the drugs to be prescribed by doctors only in an effort to trace the effect of drugs on Thai consumers.

If the new drug is generally available in drug stores as demanded by the US, the drug monitoring system will fail certainly. And it would be extremely difficult to trace its adverse effect.

In the US, there is an excellent system to trace any adverse effect of drugs," said Dr Prawit of the Rural Doctors' Association. "But in Thailand, that is totally unthinkable as we have no such system."

Worse, if the US is successful in pressuring Thailand to allow drugs without pre-testing in country of origin, it will further put the public' health at a very high risk.

The present Phammaceutical Act stipulates that every new drug to be launched in the Thai market must have been tested in the market of country of origin.

The current US law allows manufacturers to distribute their drugs to other countries without having to go through the US Food and Drug Administration's approval for local consumption.

## Prasong on Khmer Rouge, Opening New PRC Consulate

*BK1107134293 Bangkok Army Television Channel 5 in Thai 1200 GMT 11 Jul 93*

[Text] Today, the foreign minister led a team of Thai businessmen to explore investment and trade possibilities in the PRC. Foreign Minister Squadron Leader Prasong Sunsiri said before his departure on an official visit to the PRC this morning that he was leading Thai businessmen to explore investment possibilities in Sichuan, Shanghai, and Guangdong. Thailand wants to set up a consulate in Guangdong.

[Begin recording] [Prasong, in progress] ... as activities there will increase steadily. More and more Chinese from that province, who coinvest with Thai businessmen, have been visiting Thailand. I will be looking into when is the best time to set up our consulate. [end recording]

Regarding the current problem involving the Khmer Rouge, the foreign minister said it has to do with internal disputes within the Khmer Rouge, because certain Khmer Rouge officials disagree with national reconciliation. The problem does not represent the overall picture of the Khmer Rouge. It is felt that the problem can be resolved.

## Cambodian Border Checkpoint Reopened After Talks

*BK1007021193 Bangkok BANGKOK POST in English 10 Jul 93 p 7*

[Text] Aranyaprathet—The Burapha Task Force yesterday allowed the reopening of the Klong Luk border checkpoint which leads to the Cambodian town after Thai and Cambodian officials discussed ways to solve the car theft problem.

The task force ordered the temporary closure of the checkpoint on Thursday after a 10-minute clash between Thai troops and an unknown Khmer group on Wednesday afternoon.

The clash occurred when Thai soldiers crossed the border in pursuit of Cambodian car thieves who had stolen a pickup truck from Thailand.

Representing Thailand at the meeting were officials from the Local Administration Department, the Immigration Division, the Foreign Ministry and the Police Department while the Cambodian side was represented by It Loeu, deputy governor of Banteay Meanchey, and Pol Maj Kam Vat, the Poipet police chief.

Burapha Task Force commander Col Prawit Wongsuwan and It Loeu later told a joint press conference that Thai authorities had blocked the passage of vehicles into Cambodia only to stop the car theft problem and in an effort to find measures to solve it.

It Loeu said both sides still adhered to the agreement made on May 14.

The Khmer deputy governor said that a Phnom Penh soldier claimed that he had bought the stolen truck from a Thai man for 130,000 baht.

The Khmer police in Poipet had seized the truck for investigation and would try to return it to Thailand as soon as possible.

It Loeu said officials in Poipet are still waiting an instruction from the new government in Phnom Penh on how to deal with the theft problem.

In a related development, seven armed Khmer bandits on Thursday night opened fire with M79 grenade launchers on a pickup truck on a border road between Khlong Hat and Aranyaprathet, injuring three passengers.

The three injured were reported in critical condition and were taken to the border hospital.

A team of explosive experts were sent to salvage an unexploded M79 grenade stuck in a seat in the truck as it could have exploded at any time.

## Official Says Malaysia To Remove Border Barricade

*BK1007032793 Bangkok BANGKOK POST in English 10 Jul 93 p 3*

[Text] Malaysia has agreed to remove a barbed wire barricade erected in a grey area on the border with Thailand in February following a dispute involving customs officers, a senior official said yesterday.

The topic was raised during a closed session among ministers attending the Sixth Meeting of the Thailand-Malaysia Joint Commission [JC] here yesterday, the official said.

Malaysia agreed the barricade was an "eye sore" and should be removed as soon as possible, the official said.

The barbed wire was put up in no-man's land along the border at Padang Besar after Thai customs officers seized cooking oil and flour they said was about to be smuggled into thailand.

The grey area at Padang Besar is an outstanding problem of border demarcation between the two countries.

Foreign Minister Prasong Sunsiri identified the areas between kilometre markers 69 and 70 and the Golok River as other points to be settled in the process.

Sqn Ldr [Squadron Leader] Prasong co-chaired the JC meeting with Malaysian Foreign Minister Abdullah Mohamed Badawi.

The JC meeting also discussed projects to build "friendship bridges" across the Golok River linking Narathiwat with Kelantan.

The bridges would link Bukit-Bukor in Kelantan with Waeng district in Narathiwat, and Pengkalan Kubor in Kelantan with Takbai district in Narathiwat.

Sqn Ldr Prasong said the bridges would pave the way for the setting up of a special economic zone between the two countries and a Growth Triangle linking Thailand, Malaysia and Indonesia.

Thailand will draft a further study of the construction and propose it to Malaysian authorities for consideration, he said.

The Malaysian foreign Minister declined to comment on the benefits of the proposed Growth Triangle and the construction of the two bridges.

But he said Malaysia would host the first Tripartite Meeting of the Growth Triangle between July 19-20 1993 in Lankawi.

The JC meeting also agreed that Thailand and Malaysia should work closely to promote cooperation in fisheries development and iron out related problems, Sqn Ldr Prasong said.

The Foreign Minister also emphasised the need to attend to the problems of Thai workers in Malaysia.

Relevant authorities of both countries should meet on the matter and consider the Thai proposal to establish a Joint Committee on Labour, he said.

Thailand also proposed a joint investment for producing automobile parts, he said.

A tour of an automobile plant in Samut Prakan would be arranged when Malaysian Prime Minister Mahathir Mohamed visits Thailand.

### Senate Gives Approval to Riot Suppression Bill

*BK0907144793 Bangkok Radio Thailand Network in Thai 1200 GMT 9 Jul 93*

[Text] The Senate held its 6th meeting of the 2d regular session at the parliament building today. The session started at 0940. It gave a final approval to the bill involving an administrative restructure of the Defense Ministry. Under the new structure, the military must obatin prior cabinet approval before using force to quell riots.

Senators who opposed the bill reasoned that a decision on suppression of riots must come from a person, and not from a group of persons, as this concerns the swiftness of action to be taken. Several senators noted that the draft bill contradicts the 1914 Act on Martial Law Declaration which allows the military to declare martial law in specific areas during a state of emergency. And still the bill in question requires prior cabinet approval before the action is taken. This creates a legal loophole which will result in a slowness of action taken in quelling riots because those with the authority to give orders will be afraid of possible criminal punishment later on. The amendment to the act on riot suppression is thus calculated for political gains in the future. With the cabinet having its say in ordering riot suppression, political parties in the coalition government will thus be absolved from the accusation of resorting to violence against the people.

The Senate Military Affairs Committee, which was in charge of scrutinizing the draft bill, reasoned that the use of military force to quell riots risks creating a loss of life as well as property to the public. The requirement for prior cabinet approval is good in that it will help ensure that the decision is carefully made. Prime Minister Chuan Likphai told the session that the requirement of the cabinet to order the quelling of riots does not mean to take away responsibility from a particular person, or the prime minister. He said that although it is the power of the cabinet to make the decision, in practice the prime minister himself in his capacity as the government leader will always be responsible for it. After the bill is passed by the senate and proclaimed as a law, the Defense Ministry will issue regulations on deployment of forces in order to secure a timely action needed for quelling riots.

The senate voted to approve the bill. The senate also approved a draft bill on the Royal Aide-de-Camp Department under the Defense Ministry. The bill will also be enforced as a law. The Senate today also decided to set up a 27-man special committee to study the 1994 expense budget bill. A closed-door meeting was held for about an hour to vote on the government's appointment of a new counter corruption committee. Today's senate session ended at 1150.

## Vietnam

### Do Muoi, U.S. Senator Smith Discuss MIA Issue

*BK1107145593 Hanoi VNA in English 1432 GMT 11 Jul 93*

[Text] Hanoi VNA July 11—Party General Secretary Do Muoi received here this morning U.S. Senator Robert Smith and his party who arrived here on Wednesday to collect further information on unidentified American servicemen missing in action during the Vietnam war.

Speaking at the reception, Sen. Smith expressed his gratitude to the authorized offices of Vietnam for having created favourable conditions and their goodwill cooperation to help him and his party carry out their mission.

He also expressed his concern about the fate of unidentified American servicemen missing in action, and his wish for further cooperation from the Vietnamese side to solve the issue satisfactorily, thus helping build a new relationship between the two countries.

For his part, General Secretary Do Muoi welcome Sen Smith's visit to Vietnam again, and the efforts exerted by him as well as other U.S. political and social activists in accelerating the process of solving the MIA issue, contributing to the improvement and broadening of the mutual understanding between the two peoples.

Touching upon the developments in the normalization of the two countries' relations, General Secretary Do Muoi welcomed President B. Clinton's statement of July 2nd as a new step of significance of the U.S. Government in the relations with Vietnam, conforming to the two peoples' interests and the trend of the times.

Mr. Do Muoi stressed that Vietnam will continue implementing its consistent policy to closely cooperate with the U.S. in effectively solving the MIA issue, which should be considered a humanitarian work and done without any conditions.

Deputy Foreign Minister Le Mai was also present at the reception.

During his stay in Vietnam, Mr. Smith and his party had working sessions with Mr. Le Mai and representatives of the Ministries of National Defence and Interior on the issues which concerned the American delegation.

The U.S. delegation also met with Sn. Lt. Gen [Senior Lietenant General] Tran Van Quang, president of the Vietnam War Veterans, and called on many places in Hanoi, Yen Bai, Vinh Phu, Ha Tay and Nam Ha to clarify reports about live sightings of Americans after war.

Wherever they visited, the U.S. delegation was assisted by the local authorities and peoples.

Speaking at a press conference held before his departure, Sen. Smith thanked the leadership and the people of Vietnam for their unprecedented cooperation which had fully met every request of the U.S. delegation.

### Credibility of 'Collaborator' Questioned

*BK1107152293 Hong Kong AFP in English 1047 GMT 11 Jul 93*

[Text] Hanoi, July 11 (AFP)—Vietnamese officers who said they worked closely with collaborator Robert Garwood during the 1970s accused him Sunday of betraying their friendship by claiming he saw American prisoners here after the war.

The three retired colonels were made available to reporters after Garwood concluded a four-day visit to Vietnam with U.S. Senator Bob Smith, who said the results of the trip had boosted Garwood's credibility as a witness.

The officers took the opposite tack, saying that Garwood had no credibility since he maintained that he was a prisoner of war (POW) until he left Vietnam in 1979, when they said he lived freely, contributed to propaganda work and had a Vietnamese fiancee.

Colonel Nguyen Thai, chief of enemy prosletyzing for the Fifth military region, said Marine Corps private Garwood was captured in 1965 and was chosen for early release along with several other U.S. prisoners in 1967.

"We tried to persuade him to return to U.S. Army, but he didn't agree. After his capture, he realized that the Vietnamese people and government were carrying on a policy of democracy and equality ... that he thought didn't exist in America," Thai said.

The retired colonel said Garwood became a salaried cadre for the Vietnamese People's Army, and lived in or near Hanoi from 1970 until he asked to go home in 1979.

"We were ordered by upper levels that he was to be accepted into Vietnamese society, and we were ready to treat him as an associate of the Vietnamese people and not as an enemy. He was treated as a friend, who could be free," Thai said.

Garwood told AFP after arriving here that he had been a prisoner until 1979, though he said he had more freedom of movement than other POWs. He also said he saw at least 30 to 40 apparent American POWs in Vietnam after the war.

"When we released him we hoped that he would enjoy happy life with his family in the United States. We hoped he would not be punished by the U.S. Government. We sought to do everything to protect him," Thai said.

"But now he has come back with a bad and impolite attitude, saying he had been 14 years in prison, captured and tortured, but this is completely fabricated."

Colonel Doan Hanh, commander of the unit that administered re-education camps, produced a black-and-white photo of Garwood and an Asian man identified as his roommate, a Thai pilot who defected to Vietnam, standing in front of the Ho Chi Minh Mausoleum in Hanoi before 1975.

No other Vietnamese documents concerning Garwood were produced, however.

Garwood, who was court-martialled for collaboration after he returned home, said upon arrival here that the Vietnamese would try to discredit him by saying he was their friend, but he stressed: "I was their enemy then, and I'm their enemy now."

Smith said Garwood had boosted his credibility by leading the senator's delegation to an island in remote Yen Bai Province where he said he saw apparent American prisoners held in two buildings in 1977.

But Vietnamese officials said the two buildings Smith's team found on the island were constructed in 1987.

### Foreign Minister on Premier's European Visit

*BK1007104793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Jul 93*

[Report on VNA interview with Foreign Minister Nguyen Manh Cam on the results of Prime Minister Vo Van Kiet's visit to Western Europe; date and place not given—read by announcer]

[Text] In response to a question about the objectives and significance of the visit at a time when our country is implementing a foreign policy aimed at broadening relations with other countries, Foreign Minister Nguyen Manh Cam said: Recently, in implementing our open-door foreign policy based on the spirit of the Seventh Party Congress resolution, we have positively accelerated diplomatic relations with countries in the region and other parts of the world to create favorable conditions—peace, stability, and development—to attract capital and technology to support the economic development and renovation undertaking in our country.

It must be said that we have established new cooperative ties with countries in the region, including highly developed countries like Japan and a number of other industrialized countries. It is our policy to give priority to the promotion of cooperation with countries in the region. We, however, also attach importance to the improvement of relations with other countries in the world, including industrialized countries. It is our policy to enhance cooperation with countries in the region to integrate into the regional economy, and to promote cooperation with industrialized countries to integrate into the world economy which has now reached a very high level of internationalization.

Regarding our relations with developed countries, we give a worthy position to Western European countries because of their advanced industrial and technological development. Over the recent years, as far as these countries are concerned, we have made marked progress in improving our relations with each of these countries, which have all attached more and more importance to the role and position of Vietnam.

As a result, a number of Western European countries have invited our high-level government delegations to pay friendship visits to exchange views and promote bilateral relations. It must be said that as far as diplomatic activities are concerned, high-level meetings are important because they are historic landmarks which help promote mutual understanding and lay the groundwork for long-term cooperation. In that spirit, Vietnam has responded to the invitation of four Western European countries and the European Community.

Regarding the Republic of France, following the success of the August Revolution, Uncle Ho paid a visit to this country in his capacity as president of the state. In 1977, following the reunification of the Fatherland, Prime Minister Pham Van Dong also paid a visit to this country. As for the Federal Republic of Germany, the Kingdom of Belgium, and the United Kingdom, this is the first visit to these countries by our prime minister. The visit takes place at a time when the Western European countries are adopting prompt measures to complete the preparations for the unification process based on the Maastricht Treaty. All of these countries have been plunged into an economic recession due to many causes. In addition, over the recent past, many changes have taken place in this part of the world and the regional situation is rife with many difficulties. Therefore, to secure regional stability, attention must be paid first of all to those countries in the region which are experiencing difficulties.

Vietnam does not belong to the list of diplomatic priorities of these countries. They, however, have showed precise attention to us. Therefore, now that we apply our foreign policy to this region, we have advantages and are also subjected to limitations.

Answering the question on how he evaluated the result of the visit, Foreign Minister Nguyen Manh Cam said: During the talks and meetings with the Vietnamese prime minister, the EC chairman and many leaders, high ranking officials, and businessmen of Western European countries welcomed Vietnam's policy of renovation and its initial but important achievements in the context of a complicated world situation. They all believe that our policy will be successful. They valued that our open-door policy is suited to the present trend of development in the world. They highly valued Vietnam's role in the region, which is considered as the most dynamic development region as the world is prepared to enter the 21st century.

From there, they held that business cooperation with Vietnam is necessary. At the meetings, all the countries reserved their fine feelings and respect for Vietnam because when the world situation is changing complicatedly, Vietnam is still continuing with its renovation and scoring encouraging achievements.

In those meetings and talks, more profound understandings were reached between us and these countries. Their leaders gained better understanding of Vietnam's policy, situation, capabilities, and interests. That is a favorable foundation to step up the relations in the future. From the mutual understanding, the Western European countries and EC expressed their wishes to raise their bilateral relations with Vietnam to a new stage with higher quality, broader scope, and bigger scale in the economic, commercial, scientific, technological, cultural, and political fields, first of all, in the economic and commercial domains.

In order to achieve those targets, all countries agreed that in the coming period, they will send specialist delegations to exchange and establish directions for a long-term cooperation. The Republic of France agreed to grant Vietnam development aid of 360 million francs. The Federal Republic of Germany has granted 50 million Deutsche marks. The Kingdom of Belgium, a smaller country, has also granted us $10 million and lists Vietnam within its category of countries with priority in receiving development aids. The United Kingdom gives Vietnam a technical aid of about $10 million to fund research projects of infrastructural construction. It also increases $10 million to the program of repatriation and reintegration of Vietnamese refugees.

Regarding Vietnam's debts, in each country, we asked for a complete or partly writing-off or extension of debt repayment without interest to help Vietnam. They all said that they would actively consider our request and make favorable terms for us. They also promised that they would use their influence to accelerate the normalization of the Vietnam-U.S. relations and the improvement of the relations between Vietnam and international monetary and financial organizations. All the businessmen in all visiting countries—there were more than 200 businessmen in each meeting—expressed their wishes to cooperate and invest in Vietnam. They requested Vietnam's support for their businesses.

Lastly, Foreign Minister Nguyen Manh Cam said: It is possible to confirm that the visit to four Western European countries and EC by our Vo Van Kiet-led government delegation has created a new foundation and premise for the cooperative relations of mutual benefit between Vietnam and those countries. And we believe that the new period in the cooperative relations between Vietnam and Western European countries has opened, matching the developing trend of the current world.

## Vo Van Kiet Concludes Cuba Visit

*BK1107134193 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 93*

[Text] The high-ranking Vietnamese party and government delegation led by Prime Minister Vo Van Kiet on Saturday concluded its five-day official visit to Cuba.

Early on Friday, Prime Minister Vo Van Kiet visited oil enterprises and tourism service in Matanzas Province, about 100 km east of Havana.

On Saturday morning, Prime Minister Vo Van Kiet received the Cuban minister of food industry, minister of light industry, and the secretary of the State Council.

A press conference was held in Havana the same morning to introduce the results of this visit. Answering newsmen's question on the Vietnamese-U.S. relations, Foreign Minister Nguyen Manh Cam noted positively [word indistinct], such as U.S. President Bill Clinton declare not to oppose international financial institutions lending money to Vietnam. He pressed: Vietnam wishes that with the present trend and the development of the bilateral relations, the U.S. embargo will be lifted up, and the Vietnam-U.S. relations will be normalized, because it meets the interests of the people in each country, peace, and development.

## National Assembly Issues Communique No. 15

*BK1007052393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Jul 93*

[Communique No. 15 of the Ninth National Assembly's Third Session]

[Text] On 9 July, the National Assembly deputies held a plenary meeting at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu. The deputies discussed and passed the draft law on agricultural land use tax.

On behalf of the meeting secretariat and the scrutinizing and drafting committees, Comrade Nguyen Cong Tan, minister of agriculture and food industry, presented a report to the National Assembly on the views gathered from National Assembly deputies on the draft law on agricultural land use tax, as well as on the draft readjustment to this draft law. Comrade Ly Tai Luan, on behalf of the meeting secretariat, read the full text of the amended draft law.

Some 78 deputies expressed their views on a number of issues related to the draft law, exposing some differences of opinion. On behalf of the law drafting committee, Deputy Finance Minister Phan Van Vinh expressed his views on a number of questions raised by National Assembly deputies.

The National Assembly voted to pass a number of the controversial articles in the draft law on agricultural land use tax.

Today, 10 July, the National Assembly deputies will work at the conference hall.

## Holds Morning Proceedings 10 Jul

*BK1007065493 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 10 Jul 93*

[Text] This morning, the 22d working day of the Ninth National Assembly's third session, National Assembly deputies continued their work at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu.

The deputies continued their debates on each article and each chapter of the draft law on agricultural land use tax and passed one chapter after another.

In its sitting yesterday afternoon, the National Assembly passed four out of the nine chapters of the draft law on agricultural land use tax. Concluding this morning's sitting, the National Assembly voted to pass the remaining five chapters of this draft law.

This afteroon, National Assembly deputies will continue their work at the conference hall.

### Continues Debates on Draft Land Law

*BK1007131193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Jul 93*

[Text] Today is the 22d day of the Ninth National Assembly's third session. The deputies continued their work in the conference hall to debate on each article and each chapter of the draft law on agricultural land use tax and passed one chapter after another.

In its sitting yesterday afternoon, the National Assembly passed four out of the nine chapters of the draft law on agricultural land use tax. Concluding this morning's sitting, the National Assembly voted to pass the remaining five chapters of this draft law.

In the afternoon, the deputies heard the following: Comrade Nguyen Cong Tan, minister of agriculture and food industry, presented a report summing up the views contributed by the deputies to the proposed amendments to the draft law on land. Comrade Ly Tai Luan, on behalf of the secretariat, presented the draft law on land after it had been revised based on the views of the deputies. Next, the National Assembly held group discussions to exchange views on this draft law.

### Issues Communique No. 16

*BK1007153993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Jul 93*

[Communique No. 16 of the Ninth National Assembly's Third Session]

[Text] On 10 July 1993, the National Assembly held a plenary session in the Conference Hall. In the morning, the deputies continued to debate on the draft law on agricultural land use tax under the direction of National Assembly Vice Chairman Phung Van Tuu. Thirty five deputies spoke on issues and expressed different opinions. They are Nong Hong Thai and Dam Van Nguy of Cao Bang; Danh Ut, Tran Chi Liem, and Bui Van Tam of Kien Giang; Cu Hoa Van and Trang A Pao of Lao Cai; Nguyen Phu Cuong and Hoang Thi Bich Ly of Lang Son; Truong Thi Khue and Nguyen Duc Hoan of Quang Tri, Trinh Hong Duong and Thang Nghia of Ha Tinh; Dau Hong Tan of Nghe An; Tran Chu Toan of Gia Lai; Ha Dinh Xo of Thanh Hoa; Le Minh Chau and Huynh Thi Nhan of Ho Chi Minh City; Phung Quang Hung, Bui Huu Hai, and Nguyen Xuan Thuyet of Vinh Phu; Nguyen Thuy Cai, Mai Thuc Lan, and Nguyen Viet Dung of Ha Bac; Lo Thi Luyen of Son La; Nguyen Minh Quang, Vu Gia Tham, and Tran Quang Ngoc of Nam Ha; Nguyen Dinh Loc of Yen Bai; Nguyen Don of Quang Nam-Da Nang, Nguyen Duc Kien of Hai Hung; Tran Thi Le Thu of Binh Dinh; Le Thi Thu Ba of Dong Nai; Ha Manh Tri of Thai Binh; and Nguyen Thi Hoai Thu of Tien Giang.

Comrade Phan Van Dinh, deputy finance minister, on behalf of the Compilation Committee of the Draft Law on Agricultural Land Use Tax, presented views on some issues raised by the deputies. The deputies voted to pass some remaining articles of the draft law. By the end of the morning's sitting, the National Assembly passed with a high unanimity the draft law on agricultural land use tax.

In the afternoon, under the direction of National Assembly Chairman Nong Duc Manh, the National Assembly heard Comrade Nguyen Cong Tan, minister of agriculture and food industry; on behalf of the National Assembly Secretariat, the National Assembly Judiciary Committee, and the Compilation Committee for Draft Laws; read a report summing up the views contributed by the deputies to the proposed amendments to the draft law on land. Comrade Nguyen Van Yeu, on behalf of the National Assembly Secretariat read the full text of the draft law on land after it had been revised based on the views of the deputies.

On 12 July 1993, the National Assembly will hold its work in the conference hall.

### 12 Jul Morning Proceedings Reported

*BK1207064093 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Jul 93*

[Text] Today, the 23d working day of the Ninth National Assembly's Third Session, the deputies met in the Conference Hall. National Assembly Chairman Nong Duc Manh directed the meeting.

The deputies continued to express their views on the draft law on agricultural land tax which had been amended in accordance with the opinions of the deputies. The draft consisted of the prologue, seven chapters, and 90 articles. During the meeting, the deputies discussed and suggested amendments on chapters 1 and 2.

This afternoon the deputies will continue work in the Conference Hall on the draft law on agricultural land tax.

### Party Fifth Plenum Resolution, Last Part

*BK0907125993 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 1 Jul 93*

["Last part" of the party Central Committee's Fifth Plenum Resolution issued in Hanoi on the continuation of the socioeconomic renovation and development in the countryside]

[Text] F. Policy on social welfare in the rural areas. Efforts must be made to carry out the following tasks on social welfare:

—Eliminate illiteracy, strive to carry out the universalization of level I education to enhance the people's knowledge, develop radio and television broadcasting networks, improve libraries and cultural houses in the rural areas, promote public health services, implement the family planning program, encourage sports and physical education activities, develop fine cultural traditions, oppose superstition and social vices, develop friendship between hamlets, and promote unity in the countryside.

—Encourage the establishment and implementation of various good models and a civilized lifestyle at hamlets and villages, set up all-people funds to have more means to satisfactorily implement the policy on helping families who have rendered meritorious service to the state and families of fallen and wounded soldiers, and help the poor by providing them with loans to start their trade.

—Establish funds to fight hunger and poverty in each locality on the basis of people helping one another, the state providing supervision, and agencies concerned seeking humanitarian aid from organizations at home and abroad. Efforts must be made to upgrade poor families while increasing the number of rich families.

—Promote various forms of insurance in production and in the daily life of the countryside, encourage the establishment of funds for elders, and the setting up of economic and humanitarian funds contributed by the peasants.

G. Policy toward the mountain region and ethnic minorities. Various sectors and echelons must formulate plans to concretize the resolution of the party Central Committee Fifth Plenum to develop the socioeconomic situation in the rural areas, mountain regions, and ethnic minority zones. Efforts must be made to combine this task with the implementation of the sixth party Central Committee Political Bureau Resolution No. 22 and the Council of Ministers' Decision No. 72. It is necessary to immediately carry out the following tasks:

—Urgently transfer or allot land and forests to peasant households, rationally settle land conflicts, help mountain provinces and ethnic minority regions formulate and satisfactorily implement projects sponsored by our government or under international assistance programs to provide more jobs for ethnic minorities and help them to settle a new life in localities.

—Accelerate the campaign to plant trees on denuded land and bare hills, the campaign to plant substitution crops to replace poppy trees, the campaign to eradicate malaria and goiter, and the campagin to fight hunger and poverty [words indistinct] to create a leaver to help develop the socioeconomic situation in each locality.

—Strive to restore and expand businesss activities and state credits in the mountain regions to, together with other economic components, help the people develop production and improve their daily life.

—Reduce or exempt taxes for occupations that need encouragement and goods that require rapid distribution to the mountain regions.

—Restore, develop, and upgrade various roads linking the mountain region with the plain areas, develop communications and transportation systems between localities, and create favorable conditions for mountain provinces to expand their trade relations with cities at home and abroad.

—Formulate appropriate lines and policies to train, foster, use, and treat ethnic minority cadres and those who work in the mountain regions and ethnic minority zones.

—Establish uniform organizations and renovate activities of agencies responsible for ethnic minority affairs, and ensure effective implementation of the party and state lines and policies toward ethnic minorities.

The party Central Committee and the party Central Committee Political Bureau shall provide guidance for the government and localities concerned to directly resolve various urgent socioeconomic and national defense and security issues in provinces and ethnic minority zones.

6. Renovating and enhancing the efficacy of political activities.

Various basic party organizations in the rural areas must satisfactorily implement the seventh party Central Committee's Third Plenum resolution on revamping and renovating the party as well as the party Central Committee Secretariat's regulation No. 50-QDTU dated 19 November 1992 on functions and duties of party organizations and chapters in the rural areas.

The party organization in the countryside must truly play its role as the nucleus in directing all domains of socioeconomic life in the areas under its responsibility. Along with developing the production force in order to establish new production relations in the countryside, it must ensure national security and defense in the areas under its responsibility, promote the people's right to mastery, preserve social justice, supervise the enforcement of laws and policies of the party and state, struggle against corruption and the oppression of the masses, and satisfactorily carry out rural development.

The administration at the village level must exercise its functions of state management over all domains of socioeconomic life in the localities under its jurisdiction, with emphasis on formulating plans for socioeconomic development and national security and defense in villages; paying attention to and solving employment problems; ensuring ever higher standards of living and ever better incomes for the people; directing the construction of socioeconomic infrastructure; rebuilding the countryside; administering state management over all economic components and organization in the areas under its responsibility; and enforcing laws to maintain order, discipline, and stability in the countryside.

The state must, at an early date, study and design a suitable mechanism for the functions and roles of hamlets and villages in each region. It must also change the operational content and methods of the front committees and mass organizations for the sake of practicality.

Based on their functions, the confederation of workers, the peasants association, the women's union, the Ho Chi Minh Communist Youth Union, the War Veterans Association, and other professional associations must focus their activities on serving the objectives of the plans for socioeconomic development and national security and defense in the rural areas. This is aimed at helping build a new prosperous, powerful, civilized, and progressive countryside, in which the peasants association must play a key role.

Policies and plans must be formulated to help the countryside select, foster, and train a contingent of consistently professional cadres with a firm political stand, good ethical quality, and professional skills to meet the needs arising from rural development in the new stage.

Suitable policies must also be adopted to give preferential treatment to cadres so that they set their minds at rest to work for the cause of rural development.

The party Central Committee strongly believes that its fifth plenum resolution will initiate a deep and broad revolutionary movement to encourage all people to bring into full play all of their capabilities, in terms of industriousness and thriftiness, to build the country and effect new changes in agricultural and socioeconomic development in the rural areas, thus helping to score even greater achievements in the process of renovation to make our people prosperous, our country powerful, and society civilized.

On behalf of the party Central Committee,

[Signed] General Secretary Do Muoi.

## Supreme People's Court Reduces Prison Sentences

*BK1007060393 Hanoi VNA in English 0547 GMT 10 Jul 93*

[Text] Hanoi VNA July 10—The Supreme People's Court on July 8 and 9 sat in Ho Chi Minh City to re-try the case of Doan Viet Hoat and his accomplices convicted of 'subversion against the people's administration'. The case was tried in first instance by the People's Court of Ho Chi Minh City on March 29 and 30, 1993. Later five of the eight convicts filed their appeals. Doan Viet Hoat and his accomplices plotted to overthrow the people's administration as early as July 1989 when they issued a newspaper named 'DIEN DAN TU DO' (FREE FORUM) through which they disseminated subversive materials. They set nine objectives to be achieved through three phases with the ultimate aim of dissolving the National Assembly and overthrowing the people's administration. The Supreme People's Court retained the verdict of subversion against Hoat and his group. However, considering that their plot had been nipped in the bud before causing any serious damage the court decided to lighten the penalties. The sentence against Doan Viet Hoat, the ringleader, was reduced from 20 years to 15 years. Most of the other defendants also received reprieves of from one to four years. All the convicts will be disfranchised for three to five years after release from prison .

## Australia

### Government To Monitor U.S.-Japanese Trade Pact

*BK1107091293 Hong Kong AFP in English 0900 GMT 11 Jul 93*

[Text] Canberra, July 11 (AFP)—Australia will closely monitor consultations on trade liberalisation between Japan and the United States to make sure Australian exporters receive some benefits, government officials said Sunday.

They said Australia welcomed the agreement reached at the Tokyo G-7 summit between U.S. President Bill Clinton and Japan's Prime Minister Kiichi Miyazawa on new rules to govern trade negotiations between the two nations.

Australian officials said the agreement should promote greater trade stability and lead to an expansion of world trade.

A spokesman for Trade Minister Peter Cook said Australia would monitor the new agreement and work with both Japan and the U.S. to ensure the new deal helped rather than threatened multilateral trade.

The government will work to ensure that Australian exporters gain the maximum possible benefit from the measures to provide greater access to Japanese markets, the spokesman said.

The Tokyo agreement was designed to correct the imbalance in U.S.-Japan trade, which is currently heavily in Japan's favour.

Under the agreement, Japan promised cuts in its trade surplus by increasing imports of foreign goods, while the United States promised to cut its budget deficit significantly and work to improve its competitiveness.

Australian trade officials said they welcomed Japan's commitment to open its market and reduce its trade surplus.

The officials said in a statement the Japan-U.S. agreement, and progress in talks between the U.S., Japan, Canada and the European Community on market access last week, should help bring the Uruguay round of GATT negotiations to a conclusion by the end of the year.

"Together these developments create a much more positive atmosphere in which further efforts can be made to promote world economic recovery," they said.

### Keating Attacks Conservatives Over Republican Push

*BK1107111293 Hong Kong AFP in English 1057 GMT 11 Jul 93*

[Text] Canberra, July 11 (AFP)—A push by the hierarchy of Australia's major conservative opposition party to maintain Britain's monarch as head of state here sparked a fierce pro-republican response Sunday from Prime Minister Paul Keating.

Keating used the republican debate to launch a scathing attack on Liberal Party and opposition leader John Hewson, whom the prime minister painted as a closet republican too frightened to take on the older members of his party.

Earlier, a meeting of the Liberal Party federal executive had reaffirmed its support for the existing constitutional monarchy system of government in Australia, while recognising no institution was "immutable."

It decided it was up to the Labor government to provide a compelling case against the existing arrangements and an equally convincing case for any alternative.

But Keating said it was time for Hewson to stand up to the "blue rinse set", or aged members, of his own party over a future Australian republic.

"Now is the time for him (Hewson) to stand up and say ... that it is intolerable for Australia to have as its head of state perpetually a British monarch, particularly in terms of our national self-esteem and our position in Asia," Keating said in an interview on Australian television Sunday.

"For the Liberal Party to suggest, with the world moving the way it is, with Asia holding the keys to Australian economic growth in the future ... that the monarch of Britain, should be the head of government of Australia is an anomaly Australia cannot live with."

But Hewson accused Keating of insulting older Australians by dismissing their view on the republic.

"In Mr. Keating's republican world, it seems there is no room for older Australians who do not share his republican fervour," Hewson said.

"Mr. Keating has raised the issue of a republic. It's up to him now to put a case for the republic, and the views of all Australians will need to be respected in that process.

### Keating Says APEC Compatible With ASEAN

*BK1107092393 Hong Kong AFP in English 0455 GMT 11 Jul 93*

[Text] Canberra, July 11 (AFP)—Australian Prime Minister Paul Keating sought Sunday to allay concerns that upgrading the status of the Asia Pacific Economic Co-Operation (APEC) threatened the Association of South East Asian Nations (ASEAN).

Keating believes APEC, the wider regional grouping, can become a powerful forum working towards liberalising and increasing trade within the Asia Pacific [as received], an objective he has pursued in the past year.

"The key point is that ASEAN can function as a group, as a trading group, within APEC," Keating told Australian television Sunday.

Keating said there was no impediment to ASEAN members attending a proposed summit of APEC government leaders immediately after the next scheduled APEC ministerial meeting in Seattle in November.

And he believed there was no reason that APEC arrangements "ought to impact in any deleterious way upon the business of ASEAN."

Some ASEAN members have expressed reservations about the APEC leaders' summit, in particular Malaysia, which is promoting a rival economic grouping, the East Asian Economic Caucus (EAEC).

Malaysia, and to a lesser extent Indonesia, remain unconvinced about the concept of a major regional economic forum dominated by the United States and including two other non Asian countries, Australia and New Zealand.

United States President Bill Clinton last week supported Keating's proposal for an APEC government leaders summit in Seattle.

Keating said that Clinton's support for the summit indicated the U.S. president would think he was able to garner support from APEC's 15-member countries, which includes the United States, Japan and China.

But the Australian prime minister acknowledged that ASEAN reluctance was an obstacle to be overcome before the meeting could proceed, as was China's opposition to leaders from Taiwan and Hong Kong attending.

Keating also appeared to play down the urgency of the leaders summit, saying that from Australia's viewpoint it did not matter whether it was held this year or next.

## Fiji

### Pacific News Association Briefed on Constitution

*BK1007044393 Hong Kong AFP in English 0319 GMT 10 Jul 93*

[Text] Suva, July 10 (AFP)—"Political justice" for all Fiji's ethnic communities is still possible within a new constitutional framework, Prime Minister Sitiveni Rabuka said here Saturday.

"I believe we can achieve political justice for all the communities in Fiji," he told the opening of the Pacific Islands News Association conference.

"The challenge is to create a constitutional framework for democracy that is suitable to our own realities and pecularities."

Rabuka, who lead a coup in 1987 which overthrew a predominently Indian-led government, is under fire for his apparent failure to amend the racially biased 1990 constitution which leaves Fiji Indians, making up just under half of the total population, permenently in opposition.

Three weeks ago the Fiji Labour Party, which was instrumental last year in helping Rabuka win the first post-coup elections, walked out of parliament saying the prime minister had failed to keep a promise to review the 1990 constitution.

Rabuka told the conference that a new constitution would take account of international standards on the protection of individual civil and political rights, as well as the collective rights of the indigenous people.

Rabuka said a sizeable proportion of the population was not happy with the constitution.

"It cannot be acceptable because a whole community that represents 46 percent of the entire population is not represented in cabinet—which, in the Westminister system of government that we have adopted in Fiji, effectively runs the country and assured in this by its political majority in Parliament."

He said as prime minister if a sizeable proportion of the population remained disaffected by the political system "the onus is clearly on all communities in Fiji to continue in our efforts, through dialogue and consensus, through patience and goodwill, to come together and work for further improvement to the mutual benefit of all."

Rabuka said while the 1990 constitution had been the focus of much criticism he said what it had done was to return Fiji to parliamentary democracy.

He knew it was not perfect, but no constitutions were.

He said the media had a key role to play, with every national issue having a racial and "therefore an extremely sensitive dimension."

The government was made up of Fijian, Rotuman and General Voter communities while the opposition was overwhelmingly Indian.

"So in this context trying to seek solutions to national issues is a very delicate matter, with views coloured by a lot of emotion.

"And it does not help when we have a system of government—the Westminister model—that is founded on a majoritarian and an adversarial we-and-they relationship."